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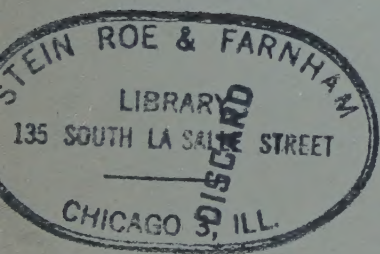
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DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS

ECONOMIC SURVEY OF EUROPE IN 1954

including Studies of

Regional Problems in European Countries

and

The Structure of the French Economy

Prepared by the

RESEARCH AND PLANNING DIVISION
ECONOMIC COMMISSION FOR EUROPE

GENEVA, 1955

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PREFATORY NOTE

The present SURVEY is the eighth in a series of reports prepared each year by the Secretariat of the Economic Commission for Europe to serve the needs of the Commission and to help in the task of reporting on world economic conditions which the Economic and Social Council of the United Nations has entrusted to the Department of Economic and Social Affairs.

As on previous occasions, the SURVEY combines analysis of the major economic developments of the past year with consideration of more long-term issues. In this SURVEY, the first five chapters are devoted to current economic events and their immediate background in the past three or four years, while in Chapters 6 and 7 attention is given to special problems of European economic development. Last year's SURVEY contained an extensive study of the problems of southern Europe, an area whose development has generally been retarded. Chapter 6 of the present SURVEY may be regarded as, in a sense, a sequel devoted to the problems of the more backward regions within countries. Chapter 7 provides a more detailed study of a particular country, France, whose development problems are largely of a regional character.

Each annual SURVEY is necessarily concerned, in the main, with Europe's current problems and with the events of the immediate past out of which they emerge. These problems need also to be seen in a longer perspective. With this end in view, the United Nations has recently published a study entitled *Growth and Stagnation in the European Economy*, prepared by Professor Ingvar Svennilson. The long-term analysis of European development contained in this work will be found to be a useful supplement to the series of annual SURVEYS.

The SURVEY is published on the responsibility of the Secretariat, and the views expressed in it should not be attributed to the Commission or to its member Governments.

Geneva

February 1955

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SYMBOLS EMPLOYED

The following symbols have been used throughout this SURVEY :

- .. = not available or not pertinent
- = nil or negligible
- = revised figure
- * = estimate by the secretariat of the Economic Commission for Europe.
- ⌵ = interruption in the comparability of the series or a change in the unit in which the series is reported.

In referring to combinations of years, the use of an oblique stroke—*e.g.*, 1952/53—signifies a 12-month period (say from 1 July 1952 to 30 June 1953). The use of a hyphen—*e.g.*, 1951-1953—signifies an average of the full period of calendar years covered (including the end years indicated).

Unless the contrary is stated, the standard unit of weight used throughout is the metric ton. The definition of “billion” used throughout is one thousand millions. Minor discrepancies in totals and percentages are due to rounding.

In general, information received up to 31 December 1954 has been included in the SURVEY.

Chapter 1

THE ECONOMIC UPSWING IN WESTERN EUROPE AND ITS BACKGROUND

Industrial production rose markedly in 1954 in practically every country of western Europe.¹ For the group of countries as a whole, the weighted average increase between the first nine months of 1953 and 1954 was some 8 per cent. It can be seen in Table 1 that this was a typical average around which the rates of increase of individual countries were rather closely grouped.

This performance is comparable with that of 1951, the last time industrial production in western Europe increased vigorously. In that year industrial produc-

tion for western Europe as a whole increased by some 10 per cent, but if the increase in western Germany, which at that time was still extraordinarily high, is left out of account, the increase would appear to be of nearly the same order of magnitude in the two periods.

The average rate of increase in industrial production covers rather divergent movements for the main branches of manufacturing industry. The output of textiles increased far less than the average, in conformity with the long-term trend in that industry, and in a few countries there was even a decline in spite of a general upswing. On the other hand, the chemical industries registered a particularly large increase, of

¹ Unless otherwise stated, the term "western Europe" is used to refer to all European countries other than Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, eastern Germany and the U.S.S.R.

Table 1

INDUSTRIAL PRODUCTION AND BUILDING ACTIVITY IN WESTERN EUROPE, JANUARY-SEPTEMBER 1954

Index numbers—January–September 1953=100

Country	INDUSTRIAL PRODUCTION					Employment in building
	Total industry	Metal-using industries	<i>of which: Transport equipment</i>	Chemical industry	Textiles industry	
Austria	114	115	..	120	112	104
Belgium	106	105	..	120	110	99 ^a
Denmark	106	112	..	103	96	123 ^b
Finland	113	105	..	116	107	119 ^c
France	109	106	120	117	110	103
Western Germany	111	116	124	116	106	108
West Berlin	124	126	..	121	..	110
Greece	126	136	..	..	128	..
Ireland	103	131	..	101	102	..
Italy	110	106	124	121	106	..
Netherlands	108	109	..	..	107	111 ^c
Norway	107	99	..	124	103	106
Sweden	105	102	..	..	99	103 ^d
Switzerland	..	..	..	..	..	105
United Kingdom	107	108	113	111	104	99
Yugoslavia	114	..	..	118	124	..

Sources: Appendix Tables I and IV-VI, and *Quarterly Bulletin of Housing and Building Statistics for Europe*, Economic Commission for Europe, Geneva.

^a Volume of construction.

^b Dwellings under construction at the end of June 1954 compared with the end of June 1953.

^c January–June 1954, January–June 1953=100.

^d January–August 1954, January–August 1953=100.

some 15 per cent, again in accordance with a trend which has been apparent for several years. The most conspicuous increase, some 20 per cent on the average, was in the output of transport equipment, especially motor vehicles.

The expansion in industrial activity was accompanied and to some extent conditioned by a considerable increase in the volume of foreign trade of western European countries. Table 2 shows that for most countries the volume of exports increased by somewhere between 10 and 25 per cent. It will be seen in Chapter 4 that the increase was most pronounced in trade among the western European countries themselves, but exports to overseas countries also rose, and, since the extraordinary supply of dollars on account of United States military expenditure and defence aid continued unchanged, the decline in exports to the

United States was easily absorbed without giving rise to balance-of-payments difficulties. Only in two countries, Denmark and Turkey, was there a serious deterioration in foreign liquidity in 1954.

If the year 1954 was comparable to 1951 with regard to the widespread and considerable increase in the volume of output and trade, it was very different as regards the general economic climate under which this improvement took place. The upward movement of prices and wages in 1954 was very limited, in most cases, and the same picture of monetary stability emerges from the figures for the increase in the supply of money (Table 2). The only major exceptions were Austria and Greece, where the price and cost levels were still under the influence of recent devaluations, and Turkey, where some inflationary pressure continued. Wages also rose markedly in the Netherlands—

Table 2

SUNDRY ECONOMIC INDICATORS FOR WESTERN EUROPEAN COUNTRIES

Index numbers—corresponding period of 1953 = 100 (unless otherwise specified)

Country	FOREIGN TRADE	LABOUR MARKET				PRICES AND WAGES		MONEY AND CAPITAL MARKETS		
	Volume of exports	Industrial employment ^a	Registered unemployment ^b		Unfilled vacancies	Cost of living	Hourly earnings in manufacturing industries	Money supply (currency and deposit money)	Changes in official rediscount rate between Dec. 1953 and Dec. 1954	Prices of industrial shares
	January- September 1954	Third quarter 1954	Third quarter 1953	Third quarter 1954	Third quarter 1954	Third quarter 1954	Third quarter 1954	Third quarter 1954		Third quarter 1954
			<i>thousands</i>	<i>thousands</i>					<i>% per annum</i>	
Austria	125	102	131	100	145	104 ^c	106 ⁱ	127	-0.5	167
Belgium	124 ^d	99	166	140	102 ^e	102	103	102	—	116
Denmark	111	102	34	26	..	103	103	104	+1.0	110
Finland	118	101	2.4	0	113 ^f	101	102	101	—	108
France	116	100	149	152	123	100 ^c	106	110	-0.5	144
West. Germany	126	105	974	879	114	101	103	112	-0.5	..
West Berlin . .	..	104	218	168	..	..	..	..	..	..
Greece	..	..	..	..	..	111 ^c	..	139	—	..
Ireland	96	104	37	32	..	102	102 ^g	105	..	111 ^h
Italy	108	101	1 830	1 815	..	104	104 ⁱ	104	—	110 ^h
Netherlands . .	119	103	60	42	160	105	109 ⁱ	106	—	132
Norway	115	101	5.5	4.8	127	107	105	106	—	120
Portugal	124	..	..	..	..	99 ^c	..	110 ^j	—	110 ^h
Sweden	109	100	16 ^k	16 ^k	104 ^f	101	104	104	—	130 ^h
Switzerland . .	100	101	1.7	1.6	112	101	101 ⁱ	101	—	114
Turkey	102	..	..	..	..	108 ^c	..	109 ⁱ	..	..
United Kingdom	108	102	306	249	115	102	104 ⁱ	105	-0.5	138
Yugoslavia . .	..	..	..	..	..	98	..	119 ⁱ	..	..

Sources : See Appendix B.

^a End-of-quarter figures.

^b Owing to differences in definitions, comparisons between countries are not strictly valid.

^c Figures refer to the capital only.

^d Belgium-Luxembourg.

^e July-August.

^f New vacancies.

^g June.

^h General index of share prices.

ⁱ Wage rates.

^j May-July.

^k June and August.

^l Currency only.

after a long period of austere wage policy—and in France, where the effect was probably to stimulate production. In western Germany, on the other hand, wages rose only little in spite of extensive strikes.

The upswing was clearly reflected in a decrease in the number of registered unemployed and an increase, often very pronounced, in the number of unfilled vacancies. In several of those areas where unemployment has in recent years been greater than would reasonably correspond to full employment level, such as Austria, Belgium, western Germany and West Berlin, unemployment declined considerably, and the same was true in some of the countries where unemployment was already at a very low level—i.e., the United Kingdom, the Netherlands, Switzerland and the four northern countries. In France, the situation appears to have remained unchanged, as far as can be judged from somewhat incomplete unemployment statistics, and no improvement can be seen in Italy, where the unemployment problem is more serious than in any other western European country. No unemployment statistics are available for Turkey and Greece.

With the further increase in employment in 1954, shortages of industrial manpower are becoming an important problem, not only in those countries where conditions of virtually full employment have existed for several years and unemployment has now fallen to extremely low levels, but also in Austria, western Germany and, to some extent, Belgium.

From 1953 to 1954, total employment in western Germany increased at a rate—5 per cent—which was even faster than that of the preceding years, and in the autumn of 1954 less than 5 per cent of the labour

force was unemployed. Because of the uneven regional distribution of unemployment, this meant a pronounced shortage of manpower in the highly industrial regions of Rhineland-Westfalia and Baden-Württemberg. The problem is likely to become even more acute in the near future : as from 1955 the generations reaching school-leaving age will become smaller, and if a military call-up gets under way it will correspondingly reduce the number of young male workers available for industry.

There are reports from several countries that industrial investment is increasingly being planned for rationalization rather than for the extension of employment capacity. This probably reflects both increasing competition in foreign markets accompanying trade liberalization and the acute or impending shortage of industrial manpower. Even so, and assuming that no difficulties arise from the side of demand, it is highly unlikely that industrial production can continue in 1955 to increase at the same rapid rate as in 1954. It would seem that, to make possible a satisfactory rate of further progress in industrial output, more attention will have to be given to labour market policies designed to increase the supply of labour.¹

An attempt is made in the following pages to throw some light on the nature of the present upswing by placing it in its perspective as one phase of the whole period since the outbreak of the Korean war.

¹ Such policies would include, *inter alia*, measures to increase the supply of female workers and other manpower reserves, measures for higher mobility of labour, for improved professional training and for the reduction of seasonal unemployment.

1. CYCLICAL MOVEMENTS IN PRODUCTION, 1950 TO 1954

The recent upswing in production came as a surprise in many quarters. There was, in fact, considerable uneasiness towards the end of 1953 about the short-term economic outlook for western Europe. The general impression was that, after the Korean boom, western Europe—with the notable exception of western Germany—had entered a period, not of outright downturn, but rather of protracted stagnation in economic activity. On top of this came, in the latter half of 1953 and the beginning of 1954, two new factors which inevitably added to the apprehensiveness. One was the onset of the American recession and the other was the pronounced weakening in the European markets for coal and steel. Public opinion had for a long time become accustomed to consider an American recession or depression as an event which would almost certainly be accompanied in western Europe by balance-of-

payments difficulties, or depression, or both. As for the markets for coal and especially for steel, all experience seemed to suggest that these commodities were eminently sensitive indicators of changes in the general economic climate.

It is perhaps understandable that, under the impact of these events, it was not sufficiently appreciated that, since early in 1953, industrial production had been increasing quite satisfactorily in all the main industrial countries of western Europe, this time with France as the notable exception. In any case, the result was that the further progress in 1954 was greeted as more of a sudden turn to the better than, in fact, it was.

The outbreak of the Korean war provides a convenient starting-point for a review of recent cyclical movements. The economic effects of the war and the consequent decision to re-arm were sufficiently strong

and pervasive to allow the events of the following years to be regarded largely as consecutive adjustments by which this initial shock was absorbed. Moreover, the period immediately preceding the outbreak of the war did not exhibit any clearly defined cyclical characteristics, apart from some exceptions which will be mentioned later. It was, in a sense, a “neutral” period : the post-war years of shortages and inflation had come to an end in 1949, with some recession in the United States and, at least, recessionary tendencies in some western European countries. The first half of 1950 was a period of fairly general, though not vigorous, progress.

It will be argued in this chapter that the Korean boom was followed, not by a period of general stagnation but rather by a series of distinct though overlapping setbacks stretching more or less from the middle of 1951 until early in 1953, in some sectors even until the spring of 1954, to be followed then by the present upswing.

The plan of the chapter is as follows : first, the most important of the swings in production which have characterized the post-Korean period are described in some detail, and explained, to the extent that this is possible. The two main movements were the textile slump 1951/52 and the recession in the capital goods industries in 1952/53. To this is added a short description of the boom and the following down-turn in the pulp market which, although a somewhat special case, had profound effects on the economies of several European countries. These three movements are all parts of the aftermath of the Korean boom. By contrast, the 1953/54 setback in the steel and coal markets, which is next considered, seems to require other explanations. The description of these swings in production ends with a discussion of what seems, from a cyclical point of view, to be the most remarkable feature of the present upswing : the rapid expansion in the markets for durable consumer goods, largely of new types.

In a following section, attention is turned to some key problems of agriculture and a distinction is made between the countries of north-western and central Europe, where the agricultural problem is largely one of marketing, and where agricultural progress therefore depends on the cyclical situation in industry, and, on the other hand, the countries of southern Europe where the course of industrial production is governed by the vicissitudes of agricultural production more than by influences from cyclical movements in the highly industrialized countries. A final section deals with the economic recession in the United States in 1953/54

and its impact on the trade and payments situation in western Europe.

The Textile Slump, 1951/52

The turn of the speculative boom in raw-material prices in the spring of 1951 was followed only a few months later by the first major setback in production. The characteristics of this decline were that it was confined to one particular branch of industry—textiles—and that it affected practically all western European countries¹ at almost the same time and to a similar extent. Other branches of the consumer-goods industries were also encountering difficulties during that period but their experiences were more varied, and in the markets for basic commodities and for the products of the engineering industries the situation continued to be one of buoyant demand. Thus, in the period from the middle of 1951 to the middle of 1952 the economies of western European countries appeared to be suffering from a curious sort of schizophrenia, parallels to which are difficult to find in other periods : a pronounced depression in one large industrial sector coinciding with boom conditions and shortages in most others.

The very fact that the slump was usually limited to a particular industrial sector, and at the same time quite general as regards the range of countries affected and the concurrence of timing, suggests that the explanation is to be found in the interaction between long-term structural factors pertaining to the textile industry and shorter-term cyclical influences.

The Background

The prolonged period of shortages of textiles after the war had, for the time being, swamped the long-standing tendency towards stagnation of demand for textiles in the richer countries themselves and the narrowing of their markets in overseas countries engaged in developing textile industries of their own. During the post-war years up to 1949, overseas exports of textiles had been limited by supply difficulties, as witnessed by long delivery periods, rather than by lack of demand. By 1949 the backlog of demand appeared to have been worked off in several European countries, and in the first half of 1950 there was, for the first time since the war, a rather general weakening of European textile markets in overseas—especially Asian—countries : Japan was coming back as a major exporter and the progress in reconstruction of old and installation of new manufacturing capacities in many overseas countries resulted in larger supplies of domestically manufactured textiles.

¹ The textile slump was, in fact, a world-wide phenomenon.

The losses in overseas markets were more than offset, for the time being, by larger European exports to the United States and Canada after the devaluations of 1949 and, especially, by the new stimulus given to European demand by trade liberalization. The first big move towards freer trade affected mainly textiles, and the result was a conspicuous increase in intra-European trade, largely reflecting, it may be assumed, additions to traders' stocks in countries newly given access to a wide variety of textiles of foreign design which for many years had been absent from their markets.¹ This upturn in intra-European textile trade, which helped so much to sustain demand in the first half of 1950, would probably have turned out to be ephemeral. But before this could be proved by events the whole situation in the textile markets was radically changed with the onset of the Korean boom.

In short, up to the middle of 1950 the textile industries were saved from the doldrums only by special and temporary stimuli to demand. The Korean episode gave another respite of about one year, but, by inducing a further considerable upswing in production, it also laid the foundation for an all the more serious crisis when, at last, the adjustment of output to normal demand became inevitable.

The Boom and the Slump

The Korean boom brought a trebling of the prices of textile raw materials and gave a boost to production at all stages of the textile industry. The speculative increase in raw-material prices was particularly violent in those materials for which Europe is largely dependent on supplies from overseas.²

The prospects of a period of rising prices of textile manufactures gave, for a time, a strong incentive to buy (and produce) for stock at all stages of textile manufacturing and trade, both in order to take advantage of the expected price increase for manufactures and in order to be well stocked in the case of a major war. Scare buying by consumers gave additional fervour to the boom. Here, again, the motive was partly a fear of war shortages and partly a precaution against an expected increase in the prices of textile manufactures.

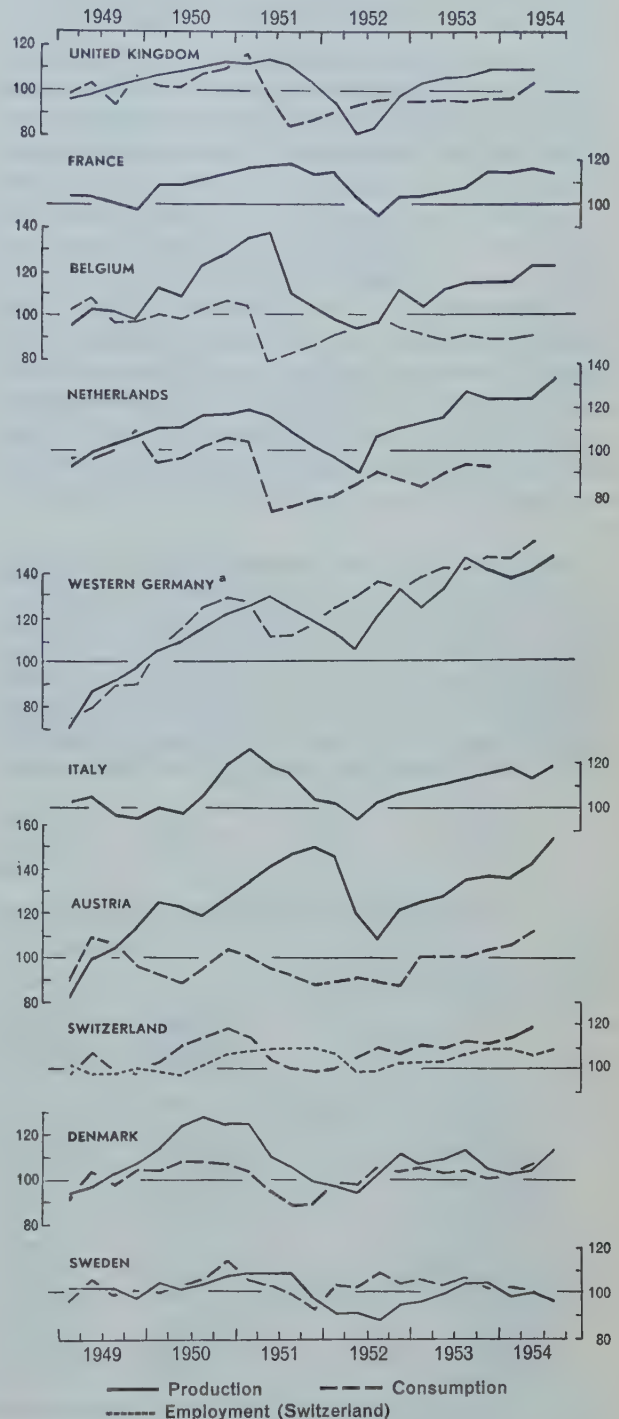
¹ Between the first nine months of 1949 and 1950 the total volume of textile exports from the six leading European exporting countries increased by 10 per cent. This total resulted from an increase by 57 per cent and 36 per cent in intra-European trade and in exports to North America respectively, and a decline by 16 per cent in exports to other overseas countries. See *Economic Survey of Europe in 1951*, page 94.

² In the case of wool, strategic stock-piling was, of course, an important factor.

Chart 1

THE VOLUME OF TEXTILE PRODUCTION AND CONSUMPTION, 1949 TO 1954

Quarterly index numbers—1949 = 100
Adjusted for seasonal variations



Sources and methods: See Appendix B.
a July 1949–June 1950 = 100.

The impact of this speculative wave on the volume of textile production and on the volume of final purchases of textiles can be gauged from Chart 1. In all the countries considered, production rose substantially from the third quarter of 1950 to a peak some time in 1951, and the consumption indices show a roughly similar movement in most countries.

The impression of a broad similarity of events in the various countries is weakened somewhat if one considers in more detail the relative movements of production and consumption. In several countries the rise in final consumption was small compared with the upswing in production, and it would appear that speculative stocking-up by traders and producers was a more important factor than scare-buying by final consumers. In western Germany and the United Kingdom, however, the consumers' buying spree seems to have been substantial, and there was probably a decline rather than an increase in traders' and manufacturers' stocks during the upswing. The accumulation of stocks came later, and then unintentionally, as demand fell earlier and faster than production.¹

¹ For several reasons, the comparison between the volume of production and that of final consumption given in Chart 1 can provide only a vague indication of the probable direction of stock movements in different periods. For one thing, changes in foreign trade could not be taken into account, although the relevant comparison should be, of course, between available supplies (i.e., output plus net imports) and consumption. Furthermore, the comparison of output and consumption (the latter figure in itself a somewhat shaky statistical construction) is not between absolute quantities but between index numbers

It is easy to see, in retrospect, that the volume of production was getting out of line with normal consumption needs. On the demand side, the reaction to the boom came, in most countries, in the first half of 1951: speculative attitudes were reversed both in the business and in the consumer sphere, and at the same time the real purchasing power of workers tended to decline in several countries as the price/wage ratio moved against them. It appears from the chart that a rather steep decline in the volume of consumer purchases occurred early in 1951, but also that production generally continued to rise for some time, or at least to remain at a high level. When, at last, the accumulation of unsold stocks made an adjustment of production unavoidable, it had to be all the more severe. Chart 1 and Table 3 show that the period of declining production lasted in most cases for about one year, and that, typically, production fell to a level about one-third or one-quarter below the 1951 peak.

The Impact of Foreign Trade

The intensity with which the textile boom and the subsequent slump affected individual countries was to an important extent influenced by developments

referring to a base year (1949) which is supposed to be normal in some sense. It should also be noted that the very short-term fluctuations in retail sales within the boom period have been smoothed out in the chart in order not to complicate the picture unnecessarily. In several countries extremely high retail sales in the third quarter of 1950 were partly compensated by abnormally low Christmas sales. In some countries there followed a new short-lived wave of buying in connection with the world political crisis early in 1951.

Table 3

CHANGES IN PRODUCTION AND EMPLOYMENT IN THE TEXTILE INDUSTRIES OF WESTERN EUROPE, 1951-1952

Country	Quarter of highest production ^a	Quarter of lowest production ^a	Index numbers—quarter of highest production = 100			
			Quarter of lowest production		Third quarter 1954	
			Production ^a	Employment ^b	Production ^a	Employment ^b
United Kingdom	II 1951	II 1952	70	86	94	96
France	III 1951	III 1952	81	93	97	90
Italy	I 1951	II 1952	75	92	94	87
Netherlands	I 1951	II 1952	75	88	114	98
Belgium	II 1951	II 1952	69	84	90	86
Western Germany	II 1951	II 1952	78	97	115	107
Austria	IV 1951	III 1952	71	..	103	..
Denmark	III 1950	II 1952	73	76 ^c	88	74 ^c
Sweden	III 1951	III 1952	81	85	89	85
Switzerland ^d	IV 1951	III 1952	..	91	..	97

Sources: As for Chart 1 and Table IX.

^a Seasonally adjusted; for further details see notes on Chart 1 in Appendix B.

^b End of quarter.

^c Man-hours worked.

^d Quarters of highest and lowest employment respectively; indices: quarter of highest employment = 100.

in foreign trade. Exports to overseas, after the decline in 1950, rose again substantially in the later months of 1950 and the first half of 1951, reflecting both higher incomes in primary producing countries and speculative stocking by traders overseas. The higher exports to non-European countries, together with a substantial further increase in intra-European trade, brought the total volume of textile exports from the major European exporting countries to a level some 35 per cent above that of 1949 (Table 4).

The subsequent fall during the slump brought exports down to a level even lower than that of 1949,

but different countries were affected in different ways. In those exporting countries which normally are also substantial importers of textiles—for consumption or for re-export after finishing—the concurrent reduction of imports served as a cushion to soften the effects on production. But this, of course, could happen only by forcing an even greater adjustment on other countries. For instance, the Italian cotton industry was hard hit by the import restrictions imposed by the United Kingdom late in 1951 and, shortly afterwards, by France. In Belgium, conversely, the textile slump was aggravated by measures

Table 4
TOTAL EXPORTS AND IMPORTS OF TEXTILES BY SELECTED
WESTERN EUROPEAN COUNTRIES

Millions of dollars at 1950 prices; annual rates

	January- September 1949	January-June 1950	Post-Korean peak January-June 1951	Slump April- September 1952	April- September 1954
United Kingdom					
Exports	988	964	1 054	698	812
Imports	218	234	323	140	197
France					
Exports	385	465	550	355	450
Imports	32	110	80	25	30
Italy					
Exports	275	330	475	230	290
Belgium-Luxembourg					
Exports	185	290	285	205	295
Imports	45	75	105	50	92
Switzerland					
Exports	90	105	125	105	137
Netherlands					
Exports	85	125	145	180	220
Imports	120	240	205	70	155
Western Germany					
Exports	80	65	160	170	243
Imports	80	170	135	110	230
Austria					
Exports	20	24	26	20	44
Denmark					
Imports	68	108	104	60	97
Sweden					
Imports	108	116	188	72	118

Sources : *Commodity Trade Statistics*, United Nations, and national trade statistics.

NOTE. — As far as possible, the values refer to S.I.T.C. division 65.

They have been converted into 1950 prices by using unit value indices either officially published or directly computed for each major item from physical quantities and current values given in national trade statistics.

designed to discourage exports to EPU countries with a view to halting the increase in the Belgian surplus in the Union.

The Partial Recovery

The fact that the cyclical swings in textile production and trade took place against the background of a longer-term tendency towards stagnation or even decline is brought out by the limited extent of the recovery since 1952. Not only did output and trade fall, in the slump, far below the level obtaining before the Korean boom, but, so far—up to the third quarter of 1954—the recovery has, in most countries, failed to restore the peak levels of three years earlier (Tables 3 and 4).¹ The Netherlands, Austria and western Germany were the only countries where output rose substantially above this peak. For western Germany, this is easily explained by the rapid increase in the level of real income, which was great enough to allow for a considerable increase in consumption even of commodities whose income elasticity of demand in western European countries is relatively low; the same factor is at work in Austria, but its influence on production has so far largely been neutralized by the decline in stock formation from the high rate of the previous boom period. Some evidence suggests that in Italy also, a country where the level of income is relatively low by western European standards, the demand for textiles is still capable of increasing considerably.

In the Netherlands, the favourable trend of production compared with that in other countries reflects mainly a stronger export position. This is illustrative of the general situation of the textile industry. If it is true that European textile markets are tending to stagnate, or to grow only slowly, while overseas markets are likely to decline,² it may be expected that the fate of textile production in individual countries will in time depend more on their competitive strength—provided, of course, that the present degree of liberalization is maintained and that tariff protection is not intensified. In some importing countries, among them Sweden and especially Denmark, production has been prevented from increasing above the 1950 level owing largely to competition from imports.

¹ This is even more true of employment. As was to be expected, employment in textile manufacturing fell far less in the slump than did output. The recovery in the last two years has been only partial and, as seen in Table 3, in Denmark, Sweden, Italy and France it was in the third quarter of 1954 no higher, or even lower, than it had been at the bottom of the slump.

² For a discussion of the longer-term prospects of the markets for European textiles, see *Economic Survey of Europe since the War*, Chapter 10.

On the other hand, the figures in Table 4 suggest a tendency in the main exporting countries to continue, as during the slump, to compensate the effects on production of declining exports by reducing imports. In nearly all of these countries, the volume of textile imports in 1954 was lower than in the first half of 1950.

The Vicissitudes of the Pulp Market

For a discussion of the Korean boom and its aftermath, it is necessary to distinguish between those countries of western Europe—the majority—whose exports consist overwhelmingly of manufactures and food and those whose exports contain an important proportion of raw and semi-manufactured industrial materials. The latter group of countries includes the three northern exporters of forestry products: Sweden, Finland and Norway.³ Forestry products alone account normally for about four-fifths of Finnish and almost one-half of Swedish exports. In these countries, the Korean cycle took primarily the form of an unprecedented inflation of export proceeds with serious repercussions on the internal economy, a development similar to that experienced in many overseas countries dependent on exports of raw materials. The fluctuations in the pulp market in recent years provide a striking illustration of this mechanism.

The upsurge in pulp prices in 1950 and 1951 was by no means exclusively the result of the Korean war. The events of the immediately preceding years in the pulp market must also be taken into account.

In the first post-war years, the importing countries maintained elaborate systems of control of imports, consumption and prices of pulp and paper. Nevertheless, export prices of pulp remained at a relatively high level until 1948, largely under the influence of brisk demand from the United States, where Scandinavian pulp fetched higher prices than in European markets. The 1948/49 recession in the United States brought a drastic, though temporary, fall in export prices and some accumulation of stocks took place in the exporting countries. The strengthening of demand in the late summer of 1949 was sufficient to enable the exporting countries to maintain export prices in terms of dollars after devaluation. Thus, already before Korea, an inflationary impulse had been given in the form of increasing export earnings.

At about the same time, in the latter half of 1949 and the beginning of 1950, far-reaching changes took

³ Industrial materials or semi-manufactures are important also in the exports of Austria (timber), Belgium-Luxembourg (steel) and Turkey (cotton).

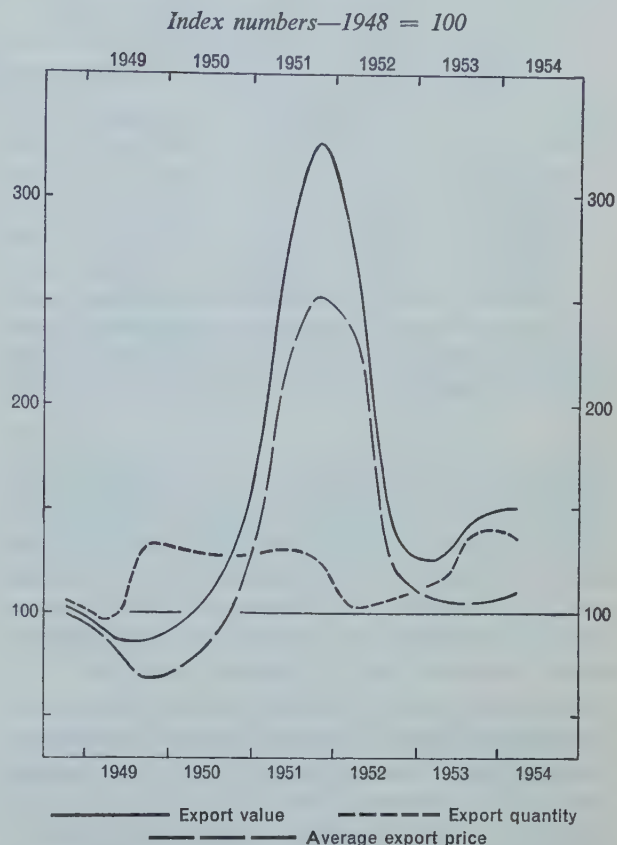
place in the European pulp market. As economic conditions improved, price controls and restrictions on the use of paper were lifted in several countries and import restrictions were attenuated. Thus, hitherto suppressed demand was released and, since the supply elasticity of pulp is low, the stage was set for an increase in pulp prices on European markets as well, once demand outran current production. For the time being, however, the exporting countries could still draw on the stocks accumulated in the preceding recession.

In this situation, the Korean boom, by adding a strong speculative element, had the effect of hastening and violently exaggerating the latent tendency for a hardening of the pulp market. The amplitude of the swing in pulp prices can be seen in Chart 2. It was as large as that for tin, rubber and wool, the commodities which reacted most violently to the scramble for strategic stocks, but whereas the prices of these commodities reached their peak by the beginning of 1951, pulp and paper prices continued to increase until almost the end of 1951. Thus the period of sharply rising prices was twice as long as that for many other raw materials. Apart from some special factors, there are two main reasons for this difference in timing. One is that strategic stock-piling, and therefore also the change in stock-piling policy early in 1951, did not affect pulp. Another reason is that, while the cost of the raw material accounts for a substantial share of the prices of finished textiles, the cost of pulp and paper is almost negligible in most end-uses, with the notable exception of newspapers. This difference probably goes some way to explain why pulp prices continued to increase throughout 1951 without meeting serious resistance by final consumers. Towards the end of 1951 there was, however, a considerable accumulation of stocks at all intermediate stages. But the immediate cause of the collapse of pulp prices was the introduction of import restrictions and price control in the importing countries rather than a fall in demand by private importers.

In June 1951 the United States Government introduced maximum import prices for Scandinavian pulp, and in November 1951 import restrictions were imposed in the United Kingdom. The final collapse of pulp and paper prices came with the concerted decision of several European importing countries, in February 1952, to impose maximum import prices at a level some 20 per cent below the then ruling Scandinavian export prices. Since the supply situation had meanwhile improved and stocks were high at all stages, this Government intervention, coming at a time when recession tendencies were apparent in the industries of several European countries, became the

Chart 2

VALUE, PRICE AND QUANTITY OF PULP ^a
EXPORTS FROM FINLAND, NORWAY
AND SWEDEN



Sources : National trade statistics.

NOTE. — The curves have been drawn on the basis of half-yearly data.
^a Mechanical and chemical pulp (including dissolving pulp).

signal for a reversal of speculative attitudes. The result was that prices declined below the ceilings imposed by the importing countries (see Chart 2).

The pulp export boom was thus the joint effect of two distinct factors. A major devaluation of the Scandinavian currencies was undertaken just about the time when, as it turned out, the export position for pulp was improving and therefore the result was a conspicuous increase in export proceeds in terms of Scandinavian currencies. To this was added, shortly afterwards, the speculative increase in demand in importing countries during the Korean boom. These events had far-reaching effects on the economies of the exporting countries.

Whereas the level of costs in Finland rose almost immediately in response to the increase in international prices, the Swedish Government attempted during 1950 by various devices, notably by an export levy, to shield the economy from the inflationary

Table 5

COST INCREASES IN THE SCANDINAVIAN PULP INDUSTRY

Winter felling season ^a	Sweden			Finland		Norway
	Percentage change in hourly earnings		Price of pulp-wood Skr/m ³	Percentage change in hourly earnings		Price of pulp-wood Nkr/m ³
	Pulp industries	All industries		Pulp and paper industries	All industries	
1948/49	+ 1.7	+ 2.4	37	+ 2.0	+ 3.0	43
1949/50	+ 7.2	+ 6.3	28	+36.8	+33.1	42
1950/51	+30.6	+23.4	51	+25.4	+23.6	52-65
1951/52	+11.5	+14.6	75	- 0.6	+ 1.1	70
1952/53	+ 3.7	+ 2.8	46	+ 1.2	+ 0.6	67

Sources : Earnings : *Sosiaalinen Aikakauskirja* for Finland and *Sociala Meddelanden* for Sweden. Prices : *Timber Price Statistics*, FAO/ECE, 11 October 1954 (TIM/87).

^a For hourly earnings the changes are from November of the first year indicated to November of the second.

impact from abroad,¹ but, with extraordinarily high profits in the export industries and pressure on the cost of living coming from higher import prices, it was impossible to maintain the policy of wage restraint. Early in 1951, the general level of wages rose by more than 20 per cent, and a year later a second increase of some 15 per cent took place.

As seen in Table 5, workers in the pulp industry scored higher gains than other workers, although in Sweden the difference was later reduced through somewhat larger wage increases in other industries. The effect of the boom on the raw material costs of the pulp industry was very pronounced in all three countries, but especially in Finland, where only a small part of the pulp-wood requirements come from the industry's own forests. Later, when pulp prices in 1953 fell back to the 1948 level, prices of pulp-wood declined much less (see Table 5), and wage rates, of course, did not fall. Thus, the cost level in the pulp industry became permanently inflated by the 1951 boom.

After the severe setback in 1952, Scandinavian production and exports recovered in 1953, and in 1954 pulp production in Sweden exceeded for the first time the record level of 1937. Pulp production has also increased in Finland and other European countries, among them France, and total western European production may well have exceeded that of 1953 by almost one million tons. At the same time, the position of the United States in pulp trade with Europe has changed from that of a net importer to that of a net exporter. So far, pulp prices have remained firm, but the situation is rendered precarious by the fact that

North-American producers have become more competitive. In sharp contrast to what happened in Europe the Korean boom did not give rise to an appreciable inflation of costs in the American or Canadian pulp industries.

The Engineering Recession, 1952/53

The textile slump took place and, in some countries, reached its bottom while boom conditions continued to prevail in the production of basic commodities and of equipment. But about the time when textile production was already nearing its lowest point, in the first half of 1952, reports of a decline, or at least of a levelling-off, in activity in the engineering industries became frequent.

A glance at Chart 3 shows that this downward movement was a general one, affecting a number of countries at roughly the same time. Although the amplitude of the swing was in most cases smaller than in the case of the textile slump, and although the timing of the recession varied somewhat more from one country to another, it seems fully justified, as a broad characterization, to speak of a recession in the western European engineering industries lasting, typically, from the middle of 1952 to the middle of 1953 and following closely on the textile slump (see Chart 4).

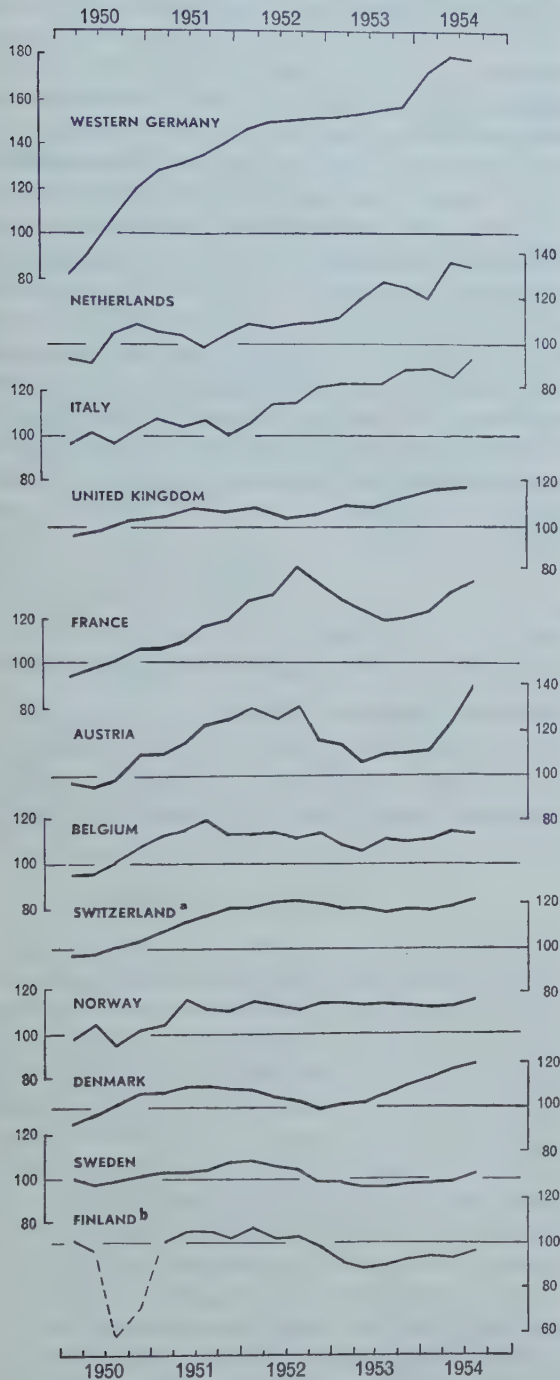
Among the twelve countries for which seasonally adjusted index numbers of output in the metal-using industries are depicted in Chart 3, there are only two, Italy and the Netherlands, which show a continuous upward movement throughout 1952 and 1953. In both of those countries the preceding increase of output in the engineering industry, in the period of

¹ Export levies were introduced in Finland and Norway also.

Chart 3

**PRODUCTION IN METAL-USING INDUSTRIES
1950 TO 1954**

*Quarterly index numbers—1950 = 100
Adjusted for seasonal variations*



Sources and methods: See Appendix B.

^a Employment in metal-using industries, 1950 = 100.

^b Since the second half year (shown by the broken line) was heavily affected by strikes the first half of 1950 has been chosen as the base period.

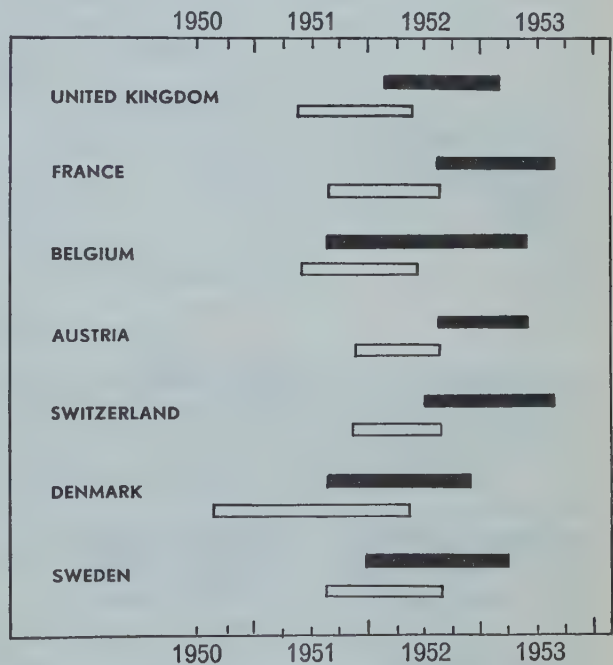
boom from 1950 to 1951, had been relatively modest—of the order of 5 per cent. Western Germany also appears to have been in a somewhat exceptional position in so far as no actual decline took place, but the influence of the general weakening is clear enough in the flattening-out, towards the end of 1952 and in the beginning of 1953, of an otherwise sharply and continuously increasing curve of production.

Production declined in all the other countries, although to a rather varying extent, and for periods of varying length. In some countries, such as the United Kingdom, France and Austria, the period of actually declining output, from the peak quarter to the quarter of lowest output, was fairly short. In other countries, notably Belgium, Sweden and Norway, the decline was more protracted. In the last-mentioned country the picture is one of a period of fairly constant output rather than of actual fall, and by the middle of 1954 no clear upturn could yet be seen.

The extent of the reductions in output, reckoned from the peak to the trough was between 5 and 12 per cent, except in Austria and Finland where

Chart 4

**PERIODS OF DECLINING PRODUCTION
IN TEXTILE AND METAL-USING INDUSTRIES**



■ Metal-using industries □ Textile industries
Sources: Charts 1 and 3.

the decline was between 15 and 20 per cent.¹ Apart from Denmark, Sweden and Finland, the level of output remained, even in the lowest quarter, well above the average for 1950.

It would be of assistance in analysing the recession if one were to know precisely when the decline in demand occurred in various sectors of the engineering industries. Statistical data of output do not show this. When a change in demand occurs (e.g., a change in the rate of flow of new orders) it may take some time before this is reflected in a change in production decisions of firms; and there is a second time-lag, varying according to the kind of machinery being made, between a change in decisions and the corresponding change in the final output which is measured. Unfortunately, only scanty data are collected about demand changes, not all of which are published.

¹ The comparisons are between the seasonally adjusted quarterly averages of monthly index numbers. Of course, slightly larger swings would appear if the top and bottom months were compared.

The chart shows a decline of the same order of magnitude for France, but the French production index for the engineering industries is inadequate and probably exaggerates the downturn as well as the subsequent upturn in 1954.

Table 6 summarizes the available data relevant to the present discussion.

It would seem that there was a rather sudden drop in new orders passed for Belgian machinery as early as the middle of 1951, and a similar timing is suggested by the figures for the stock of orders in Sweden. For France, no precise figures are available, but evidence points to a fall in orders early in 1952, about half-a-year before any decline in production was registered. In the United Kingdom, the index for machine-tools (the only series which is available apart from shipbuilding) shows a marked decline in the third quarter of 1951, and again in the middle of 1952. It must be stressed, however, that in the case of machine-tools in the United Kingdom, and probably in many other cases in the United Kingdom and elsewhere, the preceding period of war-scare speculation and of scramble for supplies for rearmament had led to a swelling of order-books (including, probably, a good deal of duplication) far beyond the normal experience of an ordinary industrial upswing. The significance, from the point of view of cyclical analysis, of the following drop in incoming orders is correspondingly impaired.

Table 6

VALUE OF INCOMING ORDERS AND STOCK OF ORDERS IN ENGINEERING INDUSTRIES

Half-yearly index numbers, average of whole period considered = 100^a

	Coverage	1950		1951		1952		1953		1954	
		First half	Second half	First half	Second half	First half	Second half	First half	Second half	First half	Second half
<i>New orders and deliveries :</i>											
Western Germany	Machinery										
Orders		..	..	82	82	109	101	100	105	124	120 ^d
Deliveries		..	..	77	85	102	104	107	109	116	121 ^d
Belgium	Machinery										
Orders		72	81	133	116	134	91	92	82	99	103 ^d
Deliveries		82	87	105	110	109	107	100	104	97	104 ^d
United Kingdom	Machine-tools										
Orders		..	..	154	115	99	79	74	80	100	131 ^e
Deliveries		..	..	78	83	104	123	116	106	108	99 ^e
<i>Stock of orders :</i>											
Netherlands (end of period) .	Metal-using industry .	..	..	..	94	94	98	100	107	110	..
Sweden (middle of period) ^b .	Engineering industry ^c	108	112	116	120	111	100	81	78	76	77
Finland (end of period) . . .	Metal using-industry .	..	..	108	104	98	96	99	94	84	..

Sources : See Appendix B.

^a I.e., the base is in each case the average for the whole period covered by the particular series shown, up to June 1954.

^b Figures for the first half refer to the end of February or March; those for

the second half to the end of August or September.

^c Excluding electrical machinery and shipbuilding.

^d July-October.

^e July and August.

If any general conclusion can be drawn from the somewhat fragmentary information available, it would be that the decline in demand for the products of the engineering industries occurred a considerable time—about half-a-year—before the final output was affected. Apparently, the industries were so well equipped with orders that order-books seemed adequate even after some shortening, and delivery dates could return to something nearer normal.

In contrast with the metal-using industries, the textile industries produce not only to meet specific orders but also for stocks, especially when producers' plans are largely determined by speculative elements. In the textile industries, therefore, the decline in demand appeared not only in the form of shortening order-books, but also in an accumulation of unsold stocks. Hence, the reaction in the form of a cut-back in production was likely to follow more quickly in textiles than in engineering. It may be that the difference in timing between the recessions, as indicated by actual output, can be partly explained by the above-mentioned difference in time-lag between demand changes and output changes. It must be remembered, however, that the industries comprised under the headings "Engineering" or "Metal-using" are very heterogeneous, and to throw more light on this point a separate analysis would need to be made for specific branches.

An attempt is made below to identify some of the main factors explaining the extent and timing of the engineering recession and to fill out in greater detail the course of the recession in individual countries.

The Impact of Defence Production

It may appear strange, at first sight, that engineering production should decline just in the year 1952. The decision to rearm was taken in late 1950; in 1951 the programmes got under way, and there was an immediate and very strong demand for machine-tools. It might well have been expected that in 1952 the impact of the armament programmes on activity in the engineering industries would have been quite sufficient to keep the industries going at full capacity of equipment and manpower. The figures in Table 7 are only crude indicators, but they suggest that in the United Kingdom and France the big increase in the call of defence on the engineering industries occurred between 1951 and 1952, and that from 1952 to 1953 hardly any further increase took place in any of the major producing countries in the share of engineering production devoted to defence.

Table 7

DEFENCE EXPENDITURE ON PRODUCTS OF THE METAL-USING INDUSTRIES AS A PERCENTAGE OF GROSS VALUE ^a OF OUTPUT IN METAL-USING INDUSTRIES

Rough estimates

Country	1950	1951	1952	1953
United Kingdom . . .	6	8	12½	13½
France	6	7	16½	15
Italy	11½	12	13½	13
Netherlands	13½	11	11½	14½

^a Free of duplications.

On the whole, these figures are inconclusive, especially since data can be had only by calendar years while, as already mentioned, the period of recession in engineering production stretched, roughly, from the middle of 1952 to the middle of 1953. It does seem, however, that in 1952—probably towards the end of the year—the share of the output of the engineering industries that was destined for defence ceased to increase. This was before production to meet American off-shore orders became of any major importance.¹

The mere fact that the rate at which military goods were delivered from the industry ceased to increase is hardly sufficient to explain that there was a widespread decline or constancy in the level of activity. It is necessary, therefore, to look for a weakening in other kinds of demand for the products of the metal-using industries. The discussion is confined to the two more volatile items: private domestic investment in industrial equipment and exports to overseas. There may have been other influences originating in changes in final consumer demand and non-military public expenditure; but they are difficult to trace and are probably small.

Private Investment

Annual figures for industrial investment are presented in Table 8. As far as possible, figures for investment in machinery and equipment in private manufacturing industry have been chosen, in order

¹ Estimates of the value of United States off-shore purchases are given below:

		Millions of current dollars					
Country	Coverage	1952	1953		1954		
			1st half	2nd half	1st half	2nd half	
United Kingdom .	Total value	2	23	27	40	..	
France	Engineering content	40	140		(250)		
Italy	Engineering content	—	50		(100)		
Netherlands . . .	Total value	—	10		10		

Table 8

INDICATORS OF THE VOLUME OF GROSS
INVESTMENT IN EQUIPMENT IN INDUSTRY

Index numbers—1950 = 100

Country	1951	1952	1953	1954
Austria	119	125	106	132 ^a
Denmark ^b	99	98	103	..
Finland	100	110	^c	..
France	110*	80*	80*	..
Western Germany ^d . .	109	112	120	131
	111	119	123	..
Italy	111	120	117	..
Netherlands	97	93	101	..
Norway ^b	108	120	126	157 ^e
Sweden	98	82	77	85 ^f
United Kingdom . . .	105	100	103	..

NOTE. — The exact nature of the indicator varies from country to country. For further details of the original series from which the index numbers are derived, see Appendix B.

^a Second quarter.

^b Includes repair and maintenance.

^c Investment in 1953 in manufacturing is known to have declined from the 1952 level.

^d The figures relate to the first half and the second half.

^e Second half.

^f Official estimate as of October 1954.

to get an indicator which is sensitive to changes in businessmen's investment decisions and which reflects, as closely as possible, the impact of changes in invest-

ment demand on the engineering industries.¹ The rate at which industrial building is planned or begun (Table 9) is perhaps an even more sensitive indicator of current investment demand, though less directly relevant for activity in the engineering industry.²

The general picture shown by the tables is one of decline in 1952 and/or 1953, though in some cases only slight. With the main exception of the Netherlands, the movements in the various countries conform broadly to those which have been found for output in the engineering industries.³ In Italy there was only a minor reduction between 1952 and 1953 and in western Germany a slowing-down of the rate of increase is discernible in 1953. Among the countries where investment demand in manufacturing industries has been least stable are Sweden, Austria and France.

¹ Most often an index of precisely this scope is not available and a choice has had to be made between total investment in manufacturing industry (including industrial buildings and construction) and total investment in machinery and equipment (including investment in transport and other non-manufacturing industry).

² Of course, figures showing applications for industrial building licences tend to give an exaggerated impression of the amplitude of swings in actual building activity. This is, however, an advantage rather than a drawback from the point of view of the present discussion which aims at pointing out the direction of the movements at different times, rather than at measuring the relative importance of each factor.

³ The causal significance of this conformity is somewhat impaired by the fact that the index of output in the engineering industries is often one of the main elements for estimating fixed investment in manufacturing industry.

Table 9

INDEX NUMBERS OF INDUSTRIAL BUILDING AUTHORIZED OR BEGUN

Country	Series	1950 = 100			Jan.-Sept. 1953 = 100
		1951	1952	1953	Jan.-Sept. 1954
Denmark	Building started	77	83	103	117
Finland	Buildings under construction (end of June)	100 ^a	93 ^a	90 ^a	93 ^b
France	Licences granted	101	106	112	122
Western Germany . .	Man-hours worked	108	100	103	103
Netherlands	Building authorized	107	86	61	156
Sweden	Applications received	88	44	47	244 ^c
Switzerland	Projects approved	125	115	113	119
United Kingdom . . .	Building started	91	55	78	109
	Projects approved	103	58	85	184

Sources: See Appendix B.

NOTE. — The exact coverage of the series varies from country to country. For details concerning the original data from which the index numbers have been derived, see Appendix B.

^a For 1951-1953, June 1951=100.

^b June 1954 (June 1953=100). Applications in the first half of 1954 were 22 per cent higher than a year earlier.

^c October 1953-September 1954 (October 1952-September 1953=100).

If the question is asked why private investment in industrial equipment tended to decline in 1952/53, the simple answer is that it was a reaction after the preceding boom, during which there had been a general tendency to hasten the execution of economic plans. In 1951, when industrialists were faced with the prospects of increasing prices and long delivery periods, they were inclined to order at once machinery and other equipment the purchase of which would otherwise have been stretched over the following one or two years. It is not surprising, therefore, that there should be some signs of saturation in 1952 and 1953. In addition to this more general explanation there were, of course, the effects of sterner monetary policies introduced in several countries in 1951 in order to combat inflation and protect the balance of payments.

Exports to Overseas

The changes in western European exports to overseas are an important element in the explanation of the recession in the engineering industries, although they are by no means to be considered as an independent, exogenous cause. They are, in fact, part and parcel of the process set in motion by the Korean war.

In Chart 5 an attempt is made to illustrate the course of events in a broad and simplified picture. The continuous line (A) shows the "capacity to import" of the

primary producing countries overseas¹—that is to say, the volume of imports which the export proceeds of the overseas countries will buy, taking into account the changing level of prices of European export goods.² This curve, of course, turns steeply upwards during the Korean price boom, only to fall back again during 1951 as the joint effect of the collapse of raw-material prices and gradually increasing European export prices. The other curves show the movements in the volume of actual imports of overseas countries from Europe (B) and from Europe and the United States together (C).

It appears that the actual volume of imports into overseas countries increased far less steeply, and reached its highest point later, than the purchasing power of their exports. Thus, during most of 1951, when the real value, in terms of import goods, of the overseas countries' export proceeds was already declining sharply, due to the fall in raw-material prices, European export industries were still enjoying the stimulating effect of the price boom of the period immediately after Korea. The setback, in the form

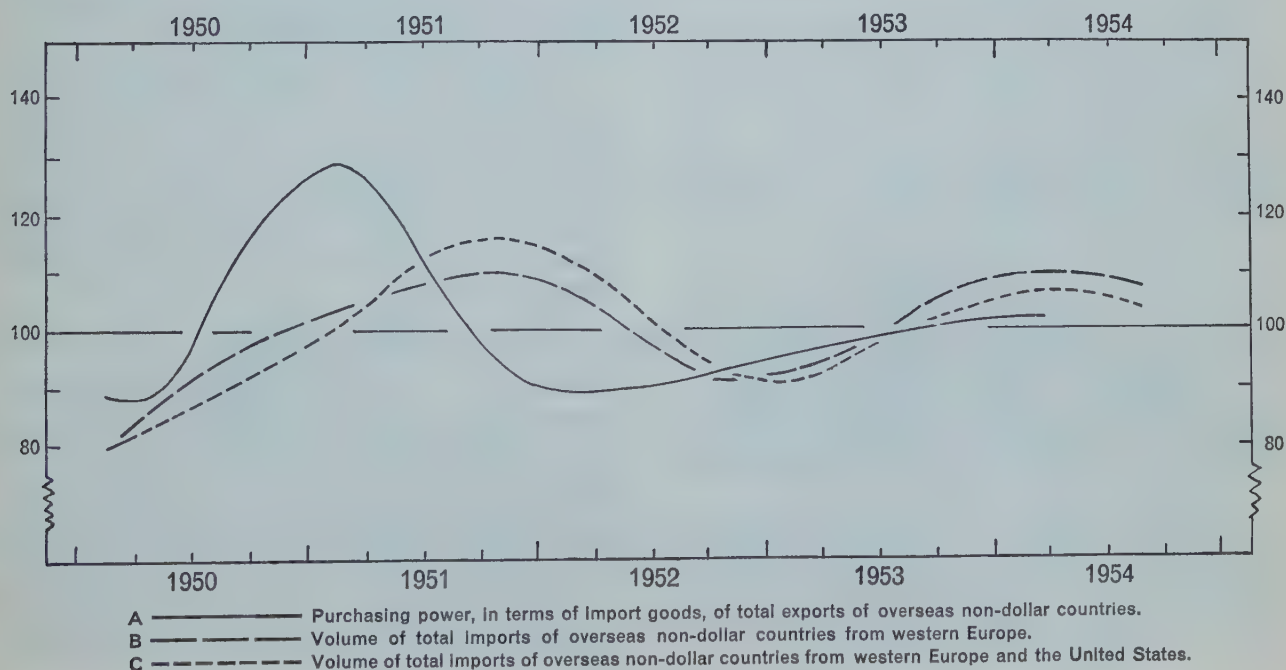
¹ The dollar countries of Latin America are not included, since their foreign trade is governed by very different factors.

² In short, the current value, quarter by quarter, of exports from overseas, deflated by a weighted average index of European export prices. The data for Chart 5 were derived from Appendix Table XXIII.

Chart 5

PURCHASING POWER OF EXPORTS FROM OVERSEAS NON-DOLLAR COUNTRIES AND VOLUME OF THEIR IMPORTS FROM WESTERN EUROPE AND THE UNITED STATES

Average for the whole period = 100



Sources and methods: Appendix Tables XXIII, XLVIII; for methods of calculation, see Appendix B.

of reduced sales to overseas, came later, beginning at the end of 1951 and reaching the lowest point at the end of 1952.

The delay in the response of overseas imports to higher export earnings may be explained partly by the time it takes for import policies to be adapted to the new conditions of abundance of foreign exchange¹ and partly by supply difficulties for capital goods in European exporting countries, a matter which at the time gave rise to much complaint by overseas countries.

Intra-European Trade

Since the engineering recession occurred in most countries of western Europe, and at about the same time, there would seem to be some danger of circular reasoning in adducing as an independent explanatory factor changes in intra-European trade, however important such changes may be for explaining the particular impact of the recession on individual countries. But this would be to overlook the fact that precisely the years here considered saw an important and—from the point of view of the present problem—autonomous event in intra-European trade—namely, the return of western Germany as a major exporting country. This was a much delayed adjustment after the wartime and post-war dislocation of trade, which was working itself through in any case during these years, regardless of temporary ups and downs in general business conditions. In view of the magnitudes involved, and the fact that engineering products weigh very heavily in western German exports, this could not fail to have an appreciable effect on the market situation for the engineering industries in several western European countries.

Table 10 shows the volume of imports of products of the metal-using industries into eight western European countries from western Germany and from other countries of western Europe. From 1950 to 1951, during the general expansion of intra-European trade engendered by the Korean boom, the increase of western German exports went hand-in-hand with an increase in exports from other European countries of very nearly the same absolute magnitude. From 1951 to 1952, western German exports continued to increase by about the same absolute amount, but this time sales on European markets from the other western European exporting countries remained unchanged. These figures strongly suggest that the recession in engineering production in 1952 in some countries was partly

¹ The typical situation in overseas countries at the time the export boom set in was one of excess demand for imports and, correspondingly, strict import licensing. Hence, the delay in the response of imports could not be explained by the time it takes for higher export earnings to reach individual income earners and raise their demand for import goods.

Table 10

IMPORTS INTO EIGHT ^a WESTERN EUROPEAN COUNTRIES OF PRODUCTS OF THE METAL-USING INDUSTRIES

Million dollars at 1950 prices

	1950	1951	1952	1953	1954 ^b
<i>Imports from :</i>					
Western Germany . . .	240	391	540	636	704
Other western European countries	966	1 094	1 098	1 220	1 280
Total western Europe ^c .	1 206	1 485	1 638	1 856	1 984
Per cent from western Germany	20	26	33	34	35

Sources : Commodity Trade Statistics, United Nations, and national trade statistics.

NOTE. — Values relate to section 7 of the S.I.T.C. They have been converted into 1950 prices by applying officially published unit value or wholesale price indices.

^a United Kingdom, France, Belgium-Luxembourg, Netherlands, Italy, Sweden, Denmark, Norway.

^b First six months at annual rate.

^c The figures for "Total western Europe" have been derived by deducting imports from the United States from total imports into the eight countries. It has thus been assumed that imports of the commodities considered from countries outside western Europe and the United States are negligible.

due to the special factor of a greatly increased flow of products from the western German industry into European markets. Several smaller European countries were affected mainly through competition with their home-market industries, and some of the major exporting countries, notably the United Kingdom, suffered in their export markets.

The German export boom continued beyond 1952 at a rapid, although somewhat reduced, rate. It appears from Table 11 that at the same time British exports of engineering goods remained almost constant. It is also seen that over the last couple of years it is mainly the group of electrical machinery and apparatus which accounts for the rise in western German exports.

The Impact on Individual Countries

The way in which the various countries were affected by the recession in the engineering industries was, of course, dependent largely on the importance of engineering products in their import and export trade. In Chart 6 the volumes of production, imports and exports of engineering products have been expressed in comparable terms so that the relative importance of exports in total production and of imports in total supplies to the home market can be directly read

Table 11

**EXPORTS OF ENGINEERING PRODUCTS
(EXCLUDING TRANSPORT EQUIPMENT)
FROM WESTERN GERMANY
AND THE UNITED KINGDOM**

Millions of dollars at 1950 prices

	1950	1952	1954 ^a
Total from:			
Western Germany	355	890	1 070
United Kingdom	1 220	1 330	1 290
of which :			
Electrical machinery and apparatus:			
from Western Germany .	72	200	325
from the United Kingdom	385	400	390

Sources : Board of Trade Journal and Der Aussenhandel der Bundesrepublik, Teil 1.

^a Estimate based on first nine months.

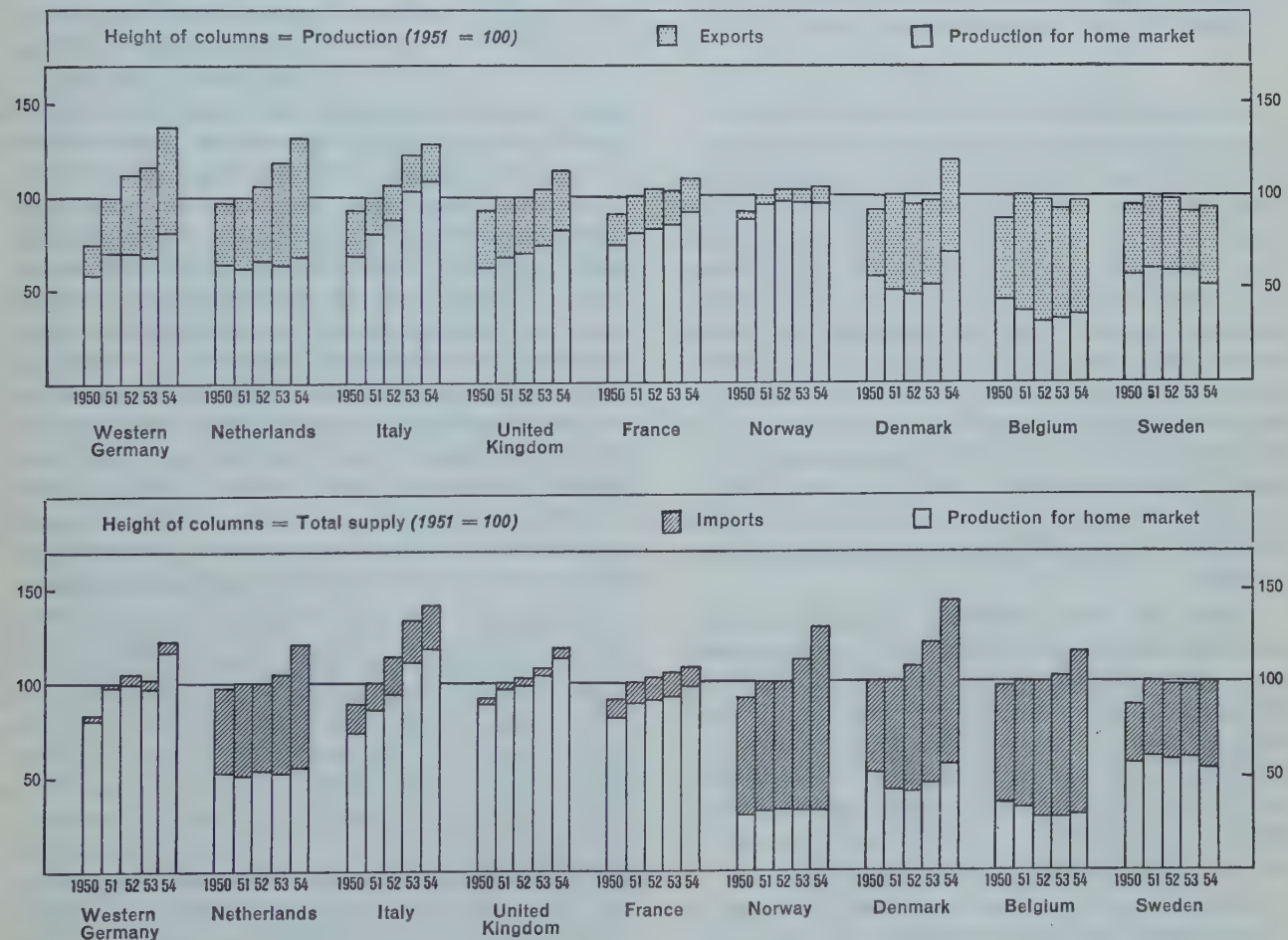
off.¹ Although the margin of error is considerable, the chart brings out both the main differences in the structural relationships and the movements over the years from 1950 to 1954.

Some of the information contained in the chart is summarized in Table 12 in order to give a condensed picture of the impact on the various countries of the recent vicissitudes in production and trade of engineering products. In that table the situation in 1951, when engineering production was generally at its post-Korean peak, is compared with that of 1954 (estimated on the basis of the first nine months) when, after the recession, a high level of activity had again been reached in most countries.

¹ For a similar presentation, including information for 1938, 1948 and 1951, see *Economic Survey of Europe since the War*, page 200.

Chart 6

PRODUCTION, TRADE AND SUPPLY^a OF ENGINEERING PRODUCTS



Sources and methods : See Appendix B. ^a Total supply equals production plus net imports. Data for 1954 are based on information for first nine months.

Table 12

PRODUCTION, TRADE AND SUPPLIES OF PRODUCTS
OF THE METAL-USING INDUSTRIES

Changes in volume from 1951 to 1954^a as percentage of production in 1951

Figures in brackets exclude passenger cars

Country	Production	Imports	Exports	Supply (apparent consumption) ^b
Western Germany	38	2½	24½	16
Netherlands	32	20 (17)	26	26
Italy	29 (24)	8	-1	38
United Kingdom	12 (9)	—	—	12 (9)
France	9 (4)	-1	—	8 (3)
Norway	4	87 (78)	3	88 (79)
Denmark	9	36 (18)	-2	47 (30)
Belgium	-3	21	-1	19
Sweden	-6	7½ (3)	1½	— (-4½)

Source: See Appendix B.

^a Estimates based on information for first nine months.

^b Production + imports - exports.

This comparison shows some striking divergencies. There are only two countries, the Netherlands and western Germany, which, over the period of three years considered, have increased their exports significantly, and these are also the two countries which show the largest increase in production. The expansion of western German exports has already been mentioned. In the Netherlands, domestic and foreign demand for the products of the metal-using industries has even been big enough to allow a considerable expansion of imports as well as of production. The background to the particularly favourable development of Dutch exports is mainly to be found in relatively low export prices, made possible by the rather stern wage policy pursued up to the beginning of 1954.

Among the other countries, none of which has been able to increase its volume of exports significantly, Italy stands out as the only one in which the domestic market has been able to absorb a considerable increase in production, hardly smaller in proportion than that registered by the Netherlands, and, at the same time, an increase in the volume of imports corresponding to no less than 8 per cent of the volume of domestic production in 1951.

The increase in the Italian engineering production is remarkable even if it is remembered that the upturn in Italy began only towards the end of 1951, which

is the base year for the present comparison, whilst in most other countries it happened earlier. Several factors can be adduced to explain this growth of demand. First, the recent years have been a period of considerable expansion and modernization of the road transport equipment of Italy. The number of motor-cars on the road, which had lagged much behind the standards attained by other western European countries, has made big strides. At the same time, ingenious developments in the production of light motor-cycles and scooters have met the potential demand in a country which for several reasons (modest income levels, the scattered settle-

ment of the population, and favourable climatic conditions) is particularly inclined towards this means of transport. Another factor was the policy of land reform and of agricultural improvement, which gave a lift to the production of tractors and other agricultural machinery. Furthermore, land reclamation works, together with the basic investments by the *Cassa per il Mezzogiorno*, and the drive for construction of dwellings, stimulated the demand for many kinds of equipment and accessories. Finally, the discovery of natural gas in the Italian sub-soil has been an important dynamic factor. In the years here considered, the natural gas industry drilled about 350,000 metres of wells, and laid about 3,000 kilometres of pipe-lines, all of which must have indirectly produced a substantial demand for engineering products.

Nevertheless, two major negative features of the Italian economy remain. One is the difficult balance-of-payments situation. It was seen, in the discussion of the textile slump, that Italian exports of textiles have not risen or have even declined in recent years, and it appears from Table 12 that the situation is no better as regards exports of engineering products. The other main difficulty is that the increase in the output of engineering industry has been accompanied by an increase in employment of no more than 5 per cent and there still remains idle capacity both in terms of plant and in terms of labour. The total

number of registered unemployed has hardly changed over the period here considered.

The increase in output from 1951 to 1954 in the United Kingdom and France has been rather modest, at least in comparison with the three countries just mentioned. In France it is negligible if passenger cars are left out of account. A direct comparison of the achievements of these two countries is, however, somewhat misleading: the availability of manpower sets rather narrow limits to the rate at which the British engineering industries can expand even under the most favourable demand conditions, once existing capacity is fully utilized. French industry is not faced with any such limitation.¹

In Norway and Denmark, the next two countries shown in the table, the increase in production has also been small, but in contrast to the United Kingdom and France the domestic markets for engineering products have expanded considerably and the relative constancy of production is largely to be accounted for by competition from imports. This remains true, even if passenger cars are left out of account.

Finally, there are two countries, Belgium and Sweden, where output in the engineering industries in 1954 was even lower than it had been in 1951. In Belgium (as in Norway and Denmark) an expanding domestic market has increasingly been supplied by imports, not least from the Netherlands. Thus, the Belgian experience can be partly seen as the reverse of the Netherlands expansion. In Sweden, there would appear to have been no increase in total supplies, and even a decline, if the imports of passenger cars which have recently increased heavily are left out of the comparison. The rapid increase in Swedish exports of engineering products in the years prior to 1951 seems to have come to a halt and this may partly be seen as a result of the particularly severe inflation of the cost level which, in its turn, was largely the outcome of the pulp export boom described earlier in this chapter. On the other hand, Sweden is in a position not unlike that of the United Kingdom. The increase in output during 1954 (not fully reflected in the table) rapidly led to a situation where scarcity of manpower hindered the full utilization of such reserves of capacity as still existed.

Finland (which cannot be shown in Chart 6 or Table 12) is faced with the problem of finding outlets for an engineering industry which had been greatly expanded to meet the requirements, first of war, and later of war indemnities. The crisis expected after the indemnity deliveries came to an end turned out to be rather mild since commercial exports to the U.S.S.R.

¹ See also Chapter 7.

increased so as to fill the gap, and in the first half of 1954 production in the engineering industry again reached and surpassed the 1951 level.²

The Steel and Coal Recession, 1953/54

It was a remarkable feature of the engineering recession that it was not accompanied by a decline in steel production. Throughout 1952, when the recession was, on the whole, most pronounced, steel production in western Europe increased at a rapid rate and it continued to do so until some time in the first half of 1953. During the next twelve months or so, however,

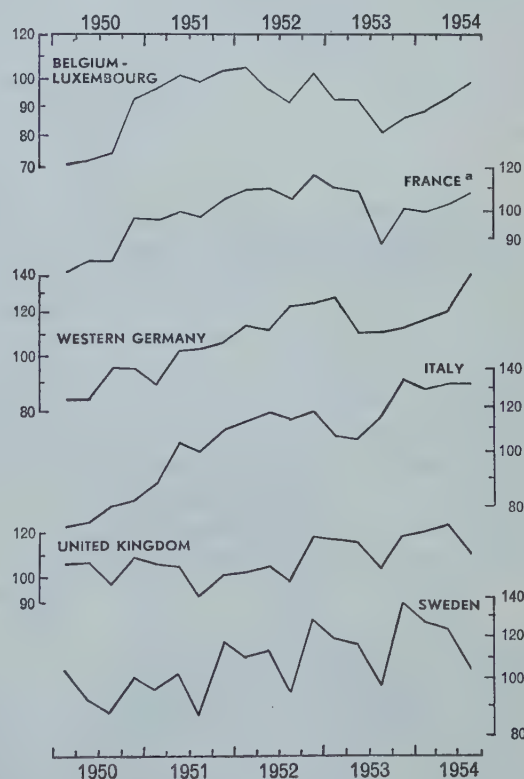
² Finnish exports of products of the metal-using industries have moved as follows (billion marks at current prices):

	1952	1953	1954
To the U.S.S.R.:			
Commercial	7.9	17.0	ca. 18
Indemnity.	7.5	—	—
To other countries . . .	2.6	3.7	..
Total	18.0	20.7	..

Chart 7

OUTPUT OF CRUDE STEEL IN SIX WESTERN EUROPEAN COUNTRIES, 1950 TO 1954

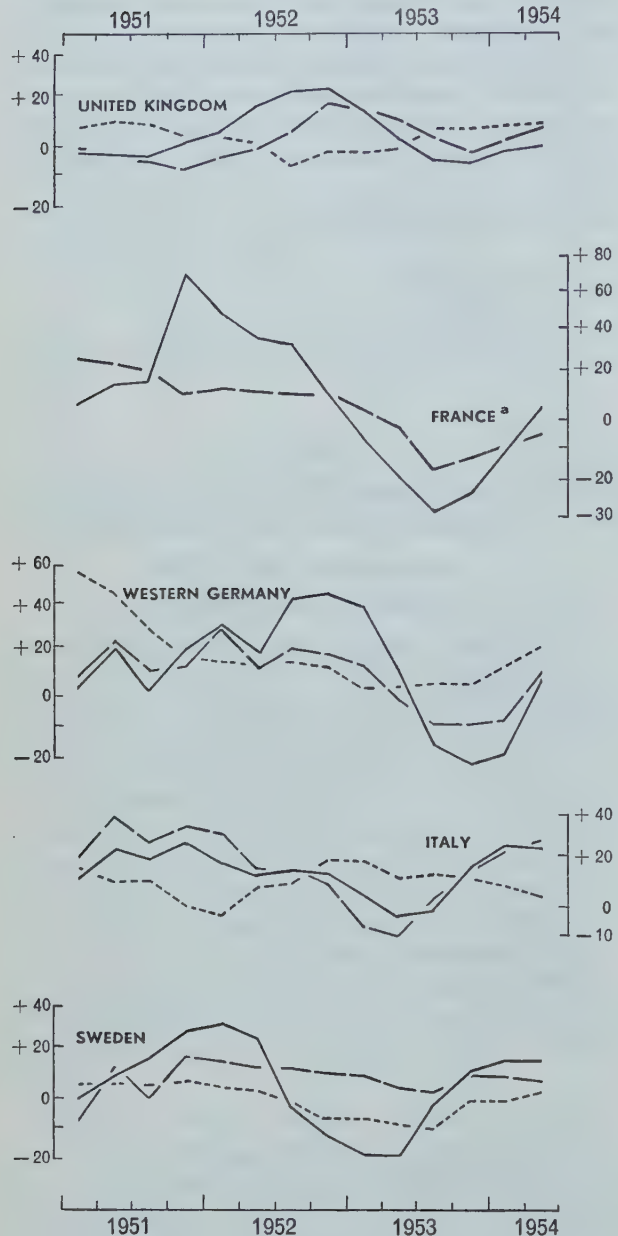
Index numbers—1951 = 100
Semi-logarithmic scale



Sources: *Quarterly Bulletin of Steel Statistics for Europe*, Economic Commission for Europe, Geneva.
a Including the Saar.

Chart 8 OUTPUT AND SUPPLY OF STEEL AND PRODUCTION IN METAL-USING INDUSTRIES

Percentage change from corresponding quarter of the
previous year
Semi-logarithmic scale



— — — Output of crude steel
- - - - - Production in metal-using industries
— · — Supply of steel (Production of crude steel plus net imports of steel in crude equivalent).

Sources : Table IV; *Quarterly Bulletin of Steel Statistics for Europe*, Economic Commission for Europe, Geneva; *Bulletin Statistique, Communauté européenne du Charbon et de l'Acier*.

NOTE.— Conversion factors used to express steel in crude equivalent are: 1.20 for semi-finished steel, 1.46 for flat products, 1.35 for railway material and 1.29 for other products covered by the Community Treaty.

^a Including the Saar.

at a time when the steel-consuming industries appeared to be again on the upturn, steel production in the Continental countries of western Europe suffered a decline, more general and more pronounced than that of 1949. As seen in Chart 7, the decline lasted until the spring of 1954.

This timing of the decline in steel production is perplexing, at first sight, and calls for an explanation. It is not possible, in the absence of adequate statistics of actual steel consumption and of producers', merchants' and especially steel consumers' stocks to give a fully conclusive analysis of the causes of the downturn. The main elements stand out clearly enough, however.

Some of the relevant data are brought together in Chart 8, which shows annual rates of increase for three series: steel production, supplies of steel to the home market (i.e., production plus net imports, or less net exports) and, finally, the volume of production in the metal-using industries. This last series has been chosen, in the absence of more precise information, as a crude indicator of actual steel consumption.¹

The important thing to note is the rather pronounced swing in apparent consumption, as compared with the smaller movement in steel production and the even smaller movements in the indicator which has here been taken to represent actual steel consumption. There is thus at least *prima facie* evidence of a tendency for steel stocks, whether with producers or with merchants and steel consumers, to increase in 1952 and to decline again in the following period when steel output was also declining.²

It would seem, then, that the movements in steel production in the last few years are not to be primarily explained by changes in steel consumption. Speculative forces, pertaining specifically to the steel market, appear, in fact, to have been at work. In the steel-producing countries on the Continent the prospect

¹ It must be noted that the data represented by the curves are not the actual indices of production, apparent consumption and actual consumption of steel, but the percentage increase or decrease of these indices in relation to the corresponding quarter of the preceding year. Thus, a fall in the curve, for instance, of steel production, indicates a decline in the annual rate of increase, and only if the curve goes below the zero line is there an actual decline in the volume of output as compared with its level a year earlier.

In the case of France, the index of production in the metal-using industries is not shown. It is largely based on steel deliveries to the steel-consuming industries and therefore could not without circular reasoning be used as even a rough indicator of actual, as opposed to apparent, consumption.

² Strictly speaking, a discrepancy between the two curves of apparent and actual consumption indicates only the *direction* of changes in stock formation. When the curve of apparent consumption is above that of actual consumption either an increase in the rate at which stocks increase, or a decrease of the rate at which they are diminished is indicated.

of the opening of the Common Market for steel under the European Coal and Steel Community may possibly have stimulated production in 1952 and the beginning of 1953, because producers wanted to enter the Common Market with as high a share of the Community's total production as possible. British steel producers, of course, had no such motive to produce beyond current sales, nor would this have been possible since the situation in the United Kingdom continued throughout 1952 to be one of steel shortage. On the other hand, it seems that stocks of steel in the consuming industries increased because those branches of the steel-using industries which were affected by the recession nevertheless hoarded steel in anticipation of future shortage.¹

In any case, it would seem that steel producers in the Continental countries were well stocked-up when the Common Market was opened in May 1953. In the following period, a speculative attitude motivating a reduction of stocks seems to have developed, this time on the part of steel merchants and steel-consuming industries which tended to hold back their purchases in view of the uncertainties about the development of steel prices in the Common Market. In addition, the American recession, which began about the middle of 1953, may have contributed to the cautious attitude of steel purchasers. Since this tendency for merchants and steel consumers to reduce their stocks of steel came at a time when the steel producers were well stocked, it is understandable that the effect on production was rather pronounced.

The cut-back in steel production was sharpest in the countries dependent on exports, France (including the Saar) and Belgium-Luxembourg. Conversely, in Sweden, western Germany and the United Kingdom the weakening of steel demand led to a considerable reduction of imports; even so, the decline of production was substantial in western Germany. In Italy the cut-back in production was moderate and in the Netherlands production scarcely declined. Both of these countries are in process of expanding their steel output for the home market.

It may be concluded, if only tentatively, that the steel recession was essentially a process of inventory adjustment, connected *inter alia* with the advent of the Common Market. It is not surprising, therefore, that it was short-lived. There are obvious limits to a

process of de-stocking, and as, in the first half of 1954, production in the steel-consuming industries tended to increase even more than in the latter half of 1953 and the threat of a more serious American recession seemed to be passing, the time had come for a new upturn in steel demand. In the late spring of 1954 orders received by the steel mills increased conspicuously and in the third quarter of the year steel production in the Community countries had already reached a level 23 per cent higher than in the corresponding period of 1953 and also considerably higher than the previous peak of 1952.

The uncertainties about price developments after the opening of the Common Market for coal and steel also influenced the continental markets for coal which showed signs of weakening at about the same time as the cut-back in steel production took place. Coal consumers held back on their purchases and pithead stocks, though largely of low quality, accumulated in France and Belgium. The slack demand for steel also directly influenced the coal market through declining demand for coke, of which considerable stocks accumulated in western Germany.²

The recession in coal was somewhat more prolonged than that of steel and it was not before the late summer months of 1954 that signs of a revival became apparent. In the following months, however, the situation changed as completely as had that of steel, and at the end of 1954 there were even some fears that a period of renewed coal shortage might lie ahead.

The Expanding Market for Durable Consumer Goods

One of the notable features of the present upswing in western Europe is the great increase in purchases of durable consumer goods. The expansion of the western European motor-car industry was largely destined for European markets, and concurrently there has been a growing sale of furniture, electrical appliances and other durable household goods, which, when added to the increase in purchases of motor-cars, constitutes a veritable wave of consumer-buying. Much of this expanding demand has been financed by means of consumer credit—especially instalment credit—and some Governments have taken steps to make such credit available more freely and on easier terms.

The present demand for durable consumer goods needs to be seen in its historical perspective. Durable goods are generally regarded as luxuries, both by

¹ Incidentally, this tendency for steel-consuming industries, checked by lack of demand, to accumulate steel, tended to aggravate the engineering recession, since the branches of heavy industry in which demand was sufficient were thereby prevented from expanding production to the extent which would otherwise have been possible. See Dudley Seers "The Summer Recession in 1952", in *Bulletin of the Oxford University Institute of Statistics*, 1953, Nos. 2 and 3, page 96.

² An increased supply of water-power, due in part to favourable weather conditions, and the continuing shift of consumption from coal to oil probably also contributed to weaken demand for coal.

Table 13

DISPOSABLE INCOME AND EXPENDITURE ON DURABLE CONSUMER GOODS
AT CONSTANT PRICES

Index numbers — 1950 = 100 and expenditure as per cent of income

	1947	1948	1949	1950	1951	1952	1953
<i>France</i>							
Disposable income—Index	85	88	95	100	103	105	109
Durable consumer goods—Index	78	88	92	100	110	124	129
— As per cent of income	7.8	8.5	8.2	8.4	9.0	9.9	10.0
<i>Western Germany</i>							
Total personal expenditure—Index	..	80 ^a	90	100	108	117	128
Durable consumer goods—Index	..	62 ^a	78	100	113	119	136
— As per cent of total expenditure	..	9.6 ^a	10.6	12.3	12.8	12.5	13.0
<i>Netherlands</i>							
Disposable income—Index	..	95	98	100	101	101	115
Durable consumer goods—Index	..	..	97	100	96	86	91
— As per cent of income	..	..	10.4	10.5	10.0	9.0	8.3
<i>Sweden</i>							
Disposable income—Index	84	92	96	100	100	107	110
Durable consumer goods—Index	83	84	83	100	103	99	103
— As per cent of income	11.9	11.1	10.4	12.1	12.5	11.1	11.3
<i>United Kingdom</i>							
Disposable income—Index	97	96	98	100	100	103	108
Durable consumer goods—Index	81	77	90	100	98	96	113
— As per cent of income	7.2	7.0	7.9	8.7	8.5	8.1	9.1

Sources: See Appendix B.

NOTE. — The coverage of the durable consumer goods item varies from one country to another. In Sweden and the United Kingdom it includes

the cost of running cars as well as purchasing them. In western Germany it includes all personal expenditure on travel and communication services. ^a Second half of year at annual rate.

individual consumers and by Governments. In the first few years after the war the demand for consumer goods was concentrated on goods of prime necessity—first food, and later textiles. In some countries this was because real disposable incomes of individuals were low: in others, although there existed a large pent-up demand for durable goods—especially for cars, domestic electric appliances and furniture—Governments deliberately limited the home supply of such goods either by restricting imports or by giving priority to exports.

By the year 1950, the essential requirements of food and clothing were being met in most western European countries and the prospect opened of meeting the long-deferred demand for durables. But the period of re-armament intervened to postpone for another couple of years any large expansion in the sales of this group of consumer goods. The forms in which this happened varied. In the United Kingdom, the supply

of durables for the home market, notably cars, was directly restricted by the diversion of scarce materials to armaments production. In other countries, the stringency of this period appeared primarily in the form of import restrictions or increased taxation on luxury goods. In countries where no such direct limitations on the sales of consumer durables were imposed, the simple fact that the purchasing power of personal income (after tax) failed to increase significantly or even declined was sufficient to prevent any great increase in the sales of consumer durables.

By the beginning of 1953, however, the volume of sales of durable goods had begun to increase, and it continued to rise with considerable speed through the second half of 1953 and the first three quarters of 1954.

These developments, up to 1953, can be studied in Table 13. The table provides, where possible, index numbers of disposable income—i.e., income after tax—and of expenditure on durable goods, both expressed

in constant prices. It will be seen that in three countries—France, western Germany and the United Kingdom—the volume of expenditure on durable goods has tended to increase more rapidly than real disposable income. Although this relationship has by no means been purely the result of consumer response in a free market, it is consistent with the view stated above that durable goods are “luxury” items.¹ The trend of consumer expenditure on durable goods is likely to show a similar pattern in all countries over the long run. It is true that the data for Sweden and the Netherlands have not recently followed the rule: but in both cases the pattern of consumer demand has been much influenced by Government intervention, and in both countries there has been a considerable increase in expenditure on durable goods in 1954.

The data on expenditure on durable consumer goods used in Table 13 are differently defined in the different countries and cannot be directly compared between countries. They have this much in common, however, that they embrace, so far as possible, all the major types of consumer durable goods. For a study of more recent developments in purchases of durable

¹ In formal terms, “luxury” goods are usually defined as those with an income elasticity of demand greater than unity. Goods with an income elasticity of less than unity are considered to be “necessaries”.

goods it is generally not possible to cover the whole field with a single index and the various groups of goods must be considered separately. Some data are available on sales, or on changes in the stock, of cars and motor-cycles for most western European countries. The available indicators of changes in the sales of these goods are given in Tables 14 and 15.

The changes in the volume of sales of cars and motor-cycles over the years 1950 to 1954 have been very great and have shown wide fluctuations from year to year. Moreover, the index numbers for different countries are widely scattered, but it is apparent that sales of cars in the latter half of 1953 and the first half of 1954 have been increasing much more rapidly than previously. The weighted average for car sales varies little from 1951 to the first half of 1953—suggesting a fairly steady rate of increase in car sales in western Europe, from 1950 to 1952, of 10 per cent or more per annum. In 1953, however, the index of annual change increased sharply and the higher rate of increase was maintained in 1954.

By contrast with the market for motor-cars, the market for motor cycles and scooters appears to have been growing most rapidly in 1951 and 1952 and less rapidly since then. This timing, surprising at first sight, may be explained by the particular element of cheapness and novelty in these goods.

Table 14

INDICATORS OF SALES OF NEW PASSENGER CARS IN WESTERN EUROPE

Index numbers — corresponding period of preceding year = 100

Country	Number of passenger cars per thousand inhabitants in 1950	1951	1952	1953		1954	
				First half	Second half	First half	July- Sept.
Austria	7	128	112	115	127	205	222 ^a
Denmark	28	94	200	339	213	160	138 ^{ab}
France	36	135	127	101	98	113	120
Western Germany	13	118	113	109	117	133	107
Ireland	31	88	80	92	144	156	146
Italy	7	118	99	119	126	136	132
Norway	20	227	225	98	98	117	176
Sweden	36	111	85	159	136	146	167 ^a
Switzerland	31	113	90	110	114	128	102 ^a
United Kingdom	47 ^c	89	127	282	176	152	110
Mean of above ^d		116	115	142	123	137	121

NOTE. — The data relate to production plus imports minus exports in the four major producing countries, net imports in Norway, first-time licensing of passenger cars in Austria and Denmark, volume of consumers' purchases of cars in Sweden and the value of car sales in Switzerland. For this last country, averages of monthly indices based on the corresponding month of preceding year were used.

^a July-October.

^b Based on net imports.

^c Great Britain only.

^d Approximately weighted according to relative sales.

The reasons, both on the demand and on the supply side, for the widespread and, thus far, persistent boom in sales of durable goods appear clearly enough from what has already been said. On the demand side, the principal factor is the rise in the level of real income. Since basic demands for food and clothing are reasonably well satisfied—given the present distribution of income—a fairly large proportion of the extra income is now used to buy durable goods.

It can be seen in Table 16 that the volume of consumption of food and clothing, although generally rising in 1953 and 1954, expanded less than that of household goods.

On the supply side, western European car production capacity is now considerably larger than it was a couple of years ago, not only within the motor-car factories themselves but also in the industries supplying necessary materials such as steel. The same is true of some of the other industries producing durable consumer goods, especially the electrical appliance industry. In the United Kingdom, also, the pressure to export these goods overseas has relaxed in the past two years, partly because of a slackened demand from overseas countries and partly because of the improvement in the British payments position. Finally, new technical developments have been important, not only for

motor cycles and scooters, as just mentioned, but also in creating new types of small cars, television sets, washing-machines and other household appliances.

A special circumstance which has encouraged and sustained the rising demand for durable goods has been the rapid development of consumer credit. In some countries there had been Government controls on instalment credit facilities, designed to check instalment buying. But in 1953 and 1954 there has been a very large increase in instalment buying in several western European countries. In some, this has merely represented the taking up of facilities already existing; in others the Government has taken steps to relax controls—as in the United Kingdom—or to set up special institutions to finance instalment credit at cheap rates—as recently in France.¹

With the wider use of instalment buying, a potentially important instrument for anti-cyclical policy becomes available to western European Governments, through which they can influence total personal savings. Where an important part of consumer purchases is in the form of instalment buying, total

¹ In Denmark, on the other hand, the recent balance-of-payments strain led to the imposition of restrictions on instalment purchases.

Table 15
INDICATORS OF SALES OF NEW MOTOR CYCLES AND MOTOR SCOOTERS
IN WESTERN EUROPE

Index numbers — corresponding period of preceding year = 100

Country	Number of motor cycles, motor scooters and cycles with auxiliary engines per thousand inhabitants in 1950	1951	1952	1953		1954	
				First half	Second half	First half	July–Sept.
Austria	20	160	138	231	230	119	118 ^a
Denmark	11	129	171	362	460	186	..
France	52	157	118	105	126	126	115
Western Germany	19 ^b	123	129	119	75	82	76
Ireland	2	106	228	159	148	115	141
Italy	14	..	108	104	127	115	100
Switzerland	16	147	127	86		76	
United Kingdom	15 ^c	82	110	99	108	128	121
Mean of above ^d		..	119	112	107	106	..

NOTE. — The data relate to production plus imports minus exports in the four major producing countries, and first-time registration of new vehicles in Austria, Denmark, Ireland and Switzerland. In this last country the figures are derived from information on new registrations during twelve months ending September. Wherever possible, the indices exclude cycles with auxiliary engines.

^a July–October.

^b Excluding cycles with auxiliary engines.

^c Great Britain only.

^d Approximately weighted according to relative sales.

Table 16

CHANGES IN THE VOLUME OF CONSUMPTION OF FOOD, CLOTHING AND HOUSEHOLD GOODS
IN SELECTED WESTERN EUROPEAN COUNTRIES

Index numbers—corresponding period of previous year = 100

Country	Food		Clothing		Household goods	
	January- September 1953	January- September 1954	January- September 1953	January- September 1954	January- September 1953	January- September 1954
Austria	113	108	111	106	..	..
Belgium	..	..	98	99	..	..
Denmark	105	102	105	103	..	..
Western Germany	109	108	109	103	115	112
Netherlands	103	105	104	111	106	109
Sweden	102	102	101	98	97	107
Switzerland	101	103	106	105	..	..
United Kingdom	105	103	103	105	112	107

Source : Table XXI, *Maandstatistiek van de binnenlandse, het verbruik en de prijzen* (Netherlands) and *Meddelande från Socialstyrelsens Utredningsbyrå* (Sweden).

NOTE.—The expenditure groups may differ slightly in definition from country to country. Details for each group and country are shown in Table XXI.

personal savings is the balance between positive savings by some people and dissaving of which part is incurred by those engaged in instalment buying. Experience suggests that it is relatively easy—for instance by varying the conditions of instalment buying—to influence the latter magnitude (the dissaving) while it is notoriously difficult to promote positive personal savings, for instance through savings campaigns or variations of interest rates.¹

For some countries, the recent expansion of the market for durable consumer goods has necessarily entailed larger imports from other European countries or from the United States. For others, especially those which have large automobile industries of their own, the expansion could take place on the basis of home production, including the production of most of the raw materials, and thus did not affect the balance-of-payments position, except in so far as home markets were supplied at the expense of exports. Both groups of countries had this in common, however, that the expansion of the durable goods sector took place with very little increase in the imports of primary goods from the under-developed countries overseas.² This may have contributed somewhat to enabling the

present expansion in production and income to occur without adverse repercussions on the balance of payments of western European countries, and in this sense it could be welcomed as a favourable implication of present trends in consumer demand. But, from a wider point of view, it appears as one more indication that the long-term trend of demand in Europe and the United States—towards services and durable consumer goods—is to make the economically richer part of the world less dependent on imports from the poorer part.

Some Implications for the Future

The developments in western European production in the period since the outbreak of the Korean war can be broken down into fairly distinct cyclical swings which were, however, differently timed and remained localized in certain sectors. What appeared, at the time, between 1951 and 1953, as a somewhat protracted period of relative stagnation is thus seen to have been, essentially, the readjustment following the Korean boom. Against this background the present period, the beginning of which may be put, roughly, at the middle of 1953, appears as the normal resumption of an upward trend after the recessionary tendencies in particular fields had worked themselves out.

Several factors have already been suggested which may help to explain the particular pattern of the post-Korean fluctuations. One was the extraordinary character of the Korean boom itself which, unlike

¹ One of the reasons why the Korean inflation was so mild in the United States in comparison with most western European countries was undoubtedly that there was large scope for raising net personal savings through restrictions on consumer credit.

² A similar trend is found in the chemical industries, which have shown a most vigorous expansion in recent years, based largely on the invention of artificial materials which are substitutes for natural materials traditionally supplied by overseas countries.

a normal cyclical upswing, was essentially a speculative wave of hoarding against the risk of a renewed period of overall shortage. This strong element of hoarding is among the factors which explain why the reaction in the textile industries came so early and was so violent. The fact that the recession in the engineering industries came later and was more diffuse can be explained by the incidence of armaments production and by the fact that the 1951 collapse of raw-material prices had its repercussions in Europe only after a time, and then with considerably damped effect, in the form of reduced demand for exports to overseas countries. In addition, the timing of the western German export drive was seen to have been an important factor.

In the account which has been given of the various swings in production, it has been stressed repeatedly that their incidence in particular industries and in particular countries varied considerably according to the underlying trend on the basis of which the shorter fluctuations took place. The textile slump was a phase in a longer-term trend of stationary or only slowly increasing output, and the subsequent revival has therefore been less rapid and less complete than that following the recession in the structurally expanding engineering industries. A somewhat similar distinction can be made as between countries. It was seen that in western Germany, Italy and the Netherlands, production developed rather satisfactorily over the whole post-Korean period. For the first two of these countries, the reason why they were less affected by the setback in this period is partly that their post-war revival was delayed by comparison with many other western European countries.

The question may be asked whether the fluctuations in production in particular branches could have been avoided or attenuated. It has been stressed, especially when dealing with the textile slump and with the later recession in steel production, that a large part of the explanation is to be found in speculative waves of accumulation and running-down of stocks, and it would seem, in fact, that either these stock movements themselves or their effects on production might have been partly avoided had more information on stocks been available at the time. It has, for instance, been suggested in studies by experts closely acquainted with the problems of the textile industries that the diffusion of more knowledge about stocks and orders at different stages of production and trade might have helped to avoid the exaggerations of the boom.¹

¹ See, for instance, H. A. Turner and R. Smith : " The Slump in the Cotton Industry, 1952 ", in *Bulletin of the Oxford University Institute of Statistics*, 1953, No. 4. The authors suggest that some of the vicissitudes of the British cotton industry could have

Similar considerations seem to apply to the steel market, the short-term fluctuations of which tend to be exaggerated owing to the paucity of statistical information on merchants' and, especially, steel-consuming industries' stocks.²

While the recessions which have been described concerned mainly non-durable consumer goods, equipment and basic materials—in that order—the outstanding feature of the present upswing is the vigorous expansion of the markets for durable consumer goods, many of them of new types. This, indeed, suggests what may be a main problem, from the point of view of anti-cyclical policy, at the present time : investment in consumer durables has this in common with investment in productive capital that it tends to be concentrated in certain periods and to develop cyclical waves of its own. This has long been a problem in the United States, and a recent example was seen in the 1953 recession, in which, as mentioned later in this chapter, one element, though not the most important, was the temporary saturation of the market for some kinds of durable consumer goods. With increasing real income and a corresponding increase in the share of income devoted to durable consumer goods, European countries may in the future have to face similar problems of short-term vagaries in the rate of personal savings.

But if the markets for consumer durables, like those for industrial equipment, are highly susceptible to cyclical fluctuations, the production of the other broad category of consumers' capital—dwellings—has been, in recent years, and is likely to remain, an important stabilizing factor. While in other sectors the post-war period of physical shortages came to an end about 1949, and a period began in which the question of the sufficiency of demand again became relevant, the situation in the building industry continued, generally speaking, to be one of excess demand, where output was limited by the availability of resources. This sector thus remained sheltered against contagion from what setbacks there might have been in one or another branch of manufacturing industry, and this was un-

been avoided " if the trade had been able to show more flexibility in the face of oncoming change, and if all the barometers of that change—particularly the collected but unpublished data on orders and stocks—had been more widely known. As it was, the industry continued, in 1951, to behave as if boom conditions still prevailed although they were already passing " (page 126). A similar point is made in a study of the slump in the British rayon industry (see A. M. Alfred and R. E. Utiger : " Der Einfluss der Schwankungen der Lagerbestände auf den Absatz ", in *Reyon, Zellwolle und andere Chemiefasern*, Heft II, November 1954, page 708.

² At its session in December 1954 the Steel Committee of the ECE decided to take steps to improve statistics of deliveries, stocks and consumption of steel.

doubtedly a major reason why the recessions in these years remained localized. Activity in the building industries has increased continuously during the years here considered, and several countries managed to step up the rate of construction of dwellings from about the year 1952. In those few cases where there was an actual fall in the construction of dwellings in any recent year, it was the result not of insufficient demand but of deliberate measures to reduce a volume of building which was thought to endanger monetary stability.

Thus, an important change may be taking place in the cyclical role of the building industry. In earlier times the building industry was particularly sensitive to cyclical influences, especially fluctuations in the rate of interest. In recent years, however, housing has become a major factor in economic stabilization. The requirements of full-employment policies have here met with a new trend in social policy, where more

attention is being paid to the improvement of housing standards, even in those countries which did not suffer heavy war destruction of dwellings. Indeed, the number of dwellings completed has, in nearly all countries, become one of the main tests by which the public, and Governments themselves, measure the success or failure of economic policy. Even when the acute housing shortage is overcome—which is not likely to happen in the very near future—it can, perhaps, be expected that the level of dwelling construction will continue to be under more or less direct Government control in most countries, largely sheltered against short-term fluctuations in demand. If so, Governments will have at their disposal an important instrument for offsetting the vagaries of private industrial investment. The fact that the clearance of slums has had to be neglected for nearly two decades provides sufficient guarantee that such policies need not be limited by any lack of opportunities for useful investment.

2. THE INTER-ACTION OF INDUSTRY AND AGRICULTURE

It has been seen that the fluctuations in industrial production in recent years were fairly general in the sense that similar movements were found at the same time in the various countries considered. This was eminently true of the textile slump, and a common pattern was at least discernible in the subsequent weakening in production of industrial equipment.

It must be remembered, however, that the analysis was limited to the more industrialized countries of north-western and central Europe.¹ The economies of these countries are rather closely geared to one another through foreign trade, and a pronounced parallelism in the movements of industrial production is only to be expected. In the less industrialized countries of southern Europe the fluctuations in industrial production do not closely follow the pattern found in the industrialized countries. The movements are hardly less violent, but they are governed by other and more specific conditions. When seen against the background of the trends in the other countries, the movements of industrial production in southern European countries appear more erratic. The key to this difference is the different way in which agriculture and industry act upon each other in the two groups of countries.

In the more industrialized countries which have so far been considered, fluctuations in agricultural output are not a principal determinant of the balance-of-

payments position. Furthermore, agriculture occupies only a small proportion of total population, which means that these countries can well afford to stabilize agricultural incomes, and that, even to the extent that agricultural income does fluctuate, this is not of prime importance for the marketing of industrial products. In the countries of southern Europe the situation is very different. The larger part of the active population is engaged in agriculture, and therefore, notwithstanding the low level of agricultural incomes, their fluctuations are highly important for the marketing of industrial goods. Moreover, agricultural output tends to fluctuate more violently than in the countries of north-western and central Europe, partly for reasons of geography but mainly as a result of the very backwardness of agriculture in those countries. Finally, the industrialized countries tend, with a few notable exceptions, to be more or less self-sufficient in each of the major kinds of agricultural produce, while the southern countries, typically, have large surpluses in some lines, on which their exports depend, and large deficits in others. The balance-of-payments position of these countries—and hence the possibilities of sustained industrial expansion—is therefore highly dependent on the fate of agriculture.

Thus, when the inter-action between agriculture and industry is to be considered, the main questions to ask are quite different for the two groups of countries. In the industrialized countries of north-western and central Europe the main question is whether expansion

¹ In the context of this chapter, Italy is considered as an industrialized country and is not taken with the group of southern European countries.

in the urban sector is strong enough to secure orderly marketing of the output of agriculture (and thereby stimulate its continued growth) and to absorb manpower from agriculture at the rate which is desirable in view of the need for technical improvement in agriculture. For the southern countries, on the other hand, the pertinent questions to ask are whether agricultural output is sufficient to provide rural markets for an increasing volume of industrial products and to prevent industrial expansion from being frustrated by balance-of-payments difficulties. In addition, there is of course the highly important question of how the balance-of-payments position is affected by demand

in other European countries for the traditional export products of southern Europe. This is mainly a one-way dependence, since prosperity in southern Europe, in its turn, is of only marginal importance for the export position of other European countries.

France—and perhaps Italy—can be said to occupy an intermediate position between the two groups of countries which have just been distinguished. In the first post-war years, the recovery of the French economy was limited largely by the failure of French agriculture to feed the French population. In 1948, for the first time since the war, France had an excellent harvest, and this was a major factor contributing to

Table 17

CONSUMPTION, PRODUCTION AND PRICES OF MEAT AND MILK PRODUCTS

Index numbers—preceding year or corresponding period of preceding year = 100

Country	Production as per cent of available supplies ^a . 1953/54	Consumption		Production			Prices paid to farmers ^b		
		1952/53	1953/54	1952/53	1953 Second half	1954 First half	Autumn		
							1952	1953	1954
MEAT									
United Kingdom	50	117	110	108	101	119	106	103	96
Western Germany	94	109	110 ^c 106 ^d	109	108	106	96	101	103
Belgium	98	104 ^e	102 ^e	109	99	100	86	102	103
Sweden	98	101	101	100	98	108	118	96	97
Switzerland	100	104	106	112	101	103	98	93	111
Finland	101	..	..	101	107	120	..	..	..
France	101	..	105 ^f	109	112	113	99 ^g	84 ^g	97 ^g
Austria	102	108	108 ^h	113	111	99	99 ⁱ	95 ⁱ	115 ⁱ
MILK AND MILK PRODUCTS (IN MILK EQUIVALENT)									
United Kingdom	56	94	112	103	108	103	108	102	100
Western Germany	96	100	107	102	108	105	104	93	102
Belgium	81	108 ^e	101 ^e	105	— 104	—	108	96	92
Sweden	100	99	101	99	100	97	113	101	99
Switzerland	106	101	100	101	106	109	103	103	98
Finland	103	101	100	104	110	107	..	..	..
France	102	..	..	97	— 107	—	119 ^j	93 ^j	70 ^j
Austria	100	108	100 ^d	108	109	106	114 ⁱ	100 ⁱ	100 ⁱ

Sources: National statistics supplemented by *Monthly Bulletin of Agricultural Economics and Statistics*, FAO.

NOTE. — Figures for meat include in all cases meat derived from cattle and pigs and in some cases also all other kinds of meat. Meat prices are average prices for cattle and pigs weighted by the relative importance of cattle and pork meat in total production. Milk output data refer to total production of all milk for human consumption and further processing (except in Austria and Germany, where milk fed to cattle is also included). Milk prices represent the price paid for milk deliveries to dairies.

^a I.e., production + imports — exports.

^b Prices paid to farmers for cattle and pigs and for milk. Latest month available (normally September) for 1954 as a percentage of the corresponding month of the preceding year. The same month was then used for all the years indicated.

^c Second half 1953.

^d First half 1954.

^e Available supplies (production + imports — exports).

^f Estimate based on retail trade data.

^g Of which: beef and veal: 104 77 89
pork: 92 93 107

^h Calendar year 1953.

ⁱ Owing to the 1953 devaluation of the Austrian schilling, the price development was less favourable to farmers than the figures in the table would seem to suggest. In terms of dollars, the price relatives were as follows:

	1952	1953	1954
Meat	99	78	115
Milk	114	82	100

^j For 1952 and 1953, average prices for milk delivered to dairies for the period April to September. For 1954, price for the month of April only. The figures perhaps somewhat exaggerate the collapse of the milk prices in the spring of 1954. Milk sold to dairies amounts to 30 to 50 per cent of total milk production.

the monetary stabilization of 1949. In subsequent years the ability of France to secure industrial progress without inflation has been closely linked to progress in agriculture. In particular, the favourable harvest of 1953 gave leeway for a notable increase in urban activity and income in 1954, unaccompanied by any resurgence of inflation. By the same token, however, marketing difficulties have arisen, and on the basis of present trends France must be classified with the countries which are faced with a problem of agricultural surpluses.¹

The Problem of Agricultural Surpluses

In the highly industrialized countries of western Europe the food shortage in the post-war years stimulated agricultural progress to such an extent that the dependence on imports declined regularly while at the same time *per capita* consumption of food reached and surpassed the pre-war level in nearly all countries. By 1953 a number of countries had reached a stage where domestic production of livestock products—the main source of income of farmers in those countries—was sufficient, or nearly sufficient, to cover domestic needs, as can be seen from the figures for the degree of self-sufficiency shown in Table 17. When this point is reached, an important problem for agricultural policy comes to the fore: In those countries—apart from the large exporters Denmark, the Netherlands and Ireland—prices of animal products are kept at a level varying from 10 to 100 per cent above world market prices. An increase of output beyond domestic needs involves, therefore, either subsidized exports of the surplus or the acceptance of a decline in home market prices.

The sustained increase in meat production had already caused a decline of prices in 1952, or 1953, and in some cases the decline was considerable, as seen in Table 17. The decline in prices does not seem to have had much effect on consumption, probably because, in some countries at least, the lower farm prices were not fully transmitted to the retail stage. Since production is fairly sensitive to price changes, the rate of increase in production slowed down somewhat in several countries and, where this happened, meat prices tended again to become firmer in 1954. At the same time the favourable price relationship between pigs and coarse grain and potatoes, which had developed after the good harvest, induced a considerable increase in pig production.

This recent tendency for production to increase is illustrated in Table 18, which shows relative changes

Table 18

SOWS AND GILTS IN PIG IN SIX EUROPEAN COUNTRIES

September 1952 = 100

	September 1953	September 1954
Austria	82	103
Denmark	111	119 ^a
Netherlands ^b	89	129
Western Germany	96	120
Sweden ^c	103	134
United Kingdom	118	137

Sources : National statistics.

^a 20 August.

^b Covered sows in August and September of each year (August-September 1952 = 100).

^c Covered sows in August of each year (August 1952=100).

in the number of sows and gilts in pig over the last three years. The upward trend in planned pig production in 1954 is unmistakable and it seems likely that some marketing problems will appear in 1955, except, of course, in the United Kingdom, where production is far from covering domestic needs.

In western Germany a Government panel of experts issued in November 1954 a warning against further increases in the pig population. In Sweden and Finland it is expected that there will be a surplus in the harvest year 1954/55, amounting to 10 to 15 per cent of pork production, which will have to be exported at prices below those paid on the home market. The number of pigs is expanding also in France, under the influence of increasing prices and abundant supply of feed. Since the price decline for beef in the autumn of 1953, prices have been supported by Government purchases of considerable quantities which are being exported at subsidized prices. Also Swiss cattle exports are subsidized and in Belgium a proposal for subsidization of meat exports is under discussion.²

Marketing difficulties for milk and milk products appeared in most cases later than those for meat. The general picture emerging from Table 17 is as follows. Prices (which are controlled in most countries) continued to move upward during 1952 and, with some exceptions, also in 1953. The increase in production also continued, even, it would seem, at a somewhat higher rate than previously. On the side of consumption, however, the situation is far less

¹ For a further discussion of this question, see Chapter 7, page 191.

² The big slaughterings in Switzerland are, however, also part of a programme for eliminating cattle tuberculosis.

expansive. The increase in consumption of fresh milk has stopped nearly everywhere and is even declining a little in some countries. With practically all of the increase in milk output going into butter, cheese and milk powder, surpluses of these products are beginning to appear in a number of countries, and reductions in milk prices became rather general in 1954.

The immediate situation in the markets for milk products is most precarious in France, Sweden and Finland, all of them countries which have also surpluses of meat, as just mentioned. The surpluses of dairy products amount to between 10 and 15 per cent of production and they are disposed of by subsidized exports. In the spring of 1954, the French milk surplus resulted in a very considerable price decline. The fact that all these countries are also self-sufficient or even have surpluses of most vegetable products makes it hard to see how the marketing difficulties can be prevented from acting as a brake on further progress in agricultural productivity. The situation is particularly serious in Finland, where the settlement of refugees from Karelia in recent years entailed a further subdivision of the land into very small and economically weak units.

Also in Switzerland, Austria and Belgium, the increase in milk production exceeds that of consumption. In western Germany, on the other hand, consumption has thus far been rising fairly rapidly with the increase in real income. But the present rate of increase in production is such that self-sufficiency may soon be reached. Early in 1954, butter exports from western Germany were even envisaged, though they were avoided partly by the bad weather, which affected production, and partly by a large-scale substitution of butter for lard due to a change in price relatives.¹

Next to the United Kingdom, the western German import market for animal products is by far the most important in Europe, and the prospect that it may disappear causes concern in exporting countries. On the other hand, the growing surpluses in France and a number of smaller countries are as yet of limited importance as a burden on export markets, since the quantities disposed of in this way have been very small compared with the total exports of the large exporters.² Moreover, the latter countries have recently gained far more by the increased purchases

of eastern European countries³ than they have lost by competition from the surplus countries. In any case, prices in export markets have remained firmer than have the home market prices in the self-sufficient countries.

Thus, the really serious aspect of the tendency to agricultural over-production in Europe is not its effects on the traditional exporters, but its effects in the surplus countries themselves. When agricultural output continuously tends to bump against a ceiling which yields only slowly with the increase in population and real income, there is a danger that agricultural progress may lose momentum. This seems already to have been the case with beef production in a number of countries following the price declines of 1953. The short-term solution of exporting, with the aid of subsidies, the surpluses that emerge can hardly prevent the damping effect on agricultural progress, since there will always be doubt about how large surpluses the Government will be willing to buy up. The long-term solution is obviously to shift the emphasis in the programme for agricultural development from the present policy of increasing output per hectare to systematic attempts to increase output per man through a continuous reduction of the agricultural labour force.

It is an encouraging sign that the transfer of hired agricultural labour to non-agricultural occupations, which had slowed down in 1953, has again increased in 1954, as can be seen in Table 19. It is probably justified to regard this as a result of the general increase in industrial activity in 1954.

Table 19
PERCENTAGE DECREASE
FROM PRECEDING YEAR IN NUMBERS
OF HIRED MALE WORKERS IN AGRICULTURE

	1951	1952	1953	1954
Great Britain	4	1	3	3
Denmark	3	3	2	3
Norway ^a	8	5	4	7
Western Germany	8	4	2	3
Austria	5	3	-2 ^b	3

Sources: National statistics.

NOTE. — The percentages refer in general to changes between mid-year figures. The figures include permanent workers only, except for the United Kingdom where all, and Austria where some non-permanent workers are also included.

^a Including female workers.

^b I.e., the number of workers increased by 2 per cent.

² Sample inquiries into consumption in working-class families show increases of more than 25 per cent in butter consumption from the first half of 1953 to the first half of 1954, and a decline of the same relative magnitude in the consumption of lard.

³ They are very small also when compared with the United States surpluses.

³ These purchases are further discussed in Chapter 5, page 123.

It should not be forgotten, however, that in Continental European countries hired labour accounts for only a small part of the total agricultural labour force, and that the reduction of the labour force on small family farms is a problem which cannot be expected to be solved "by itself" even if employment conditions in non-agricultural occupations continue to be favourable.¹

But if full employment in the urban sector is not a sufficient, it is certainly a necessary, condition for agricultural rationalization. Conversely, the transfer of manpower is one of the conditions for continued expansion of industrial employment, most clearly so in those countries where industrial expansion has recently come near to the point where further progress is limited by shortage of manpower. Sweden, western Germany and Austria are examples of such countries.

The Special Case of Southern Europe ²

Figures of the degree of self-sufficiency in animal products were used, in the preceding discussion, as a rough indicator of the appearance of problems of over-production of livestock products. It is scarcely necessary to point out that this indicator is relevant only when a certain level of real income has been reached. The southern European countries, although largely self-sufficient in animal foods and sometimes net exporters of them, are far from the point where a structural problem of over-supply of these products could appear. As already said, they are faced with the opposite problem, that industrial expansion is dependent on a sufficient expansion of agricultural output for home consumption or for exports. The varying forms in which this dependence appears may be illustrated by a brief description of the course of production in recent years in some of the southern European countries.

Yugoslavia

Yugoslavia has suffered from extreme variations in the output of cereals during recent years. In each of the drought years 1950, 1952 and 1954, the grain harvest fell short of the immediately preceding one by a percentage varying from 35 to 45 (see Table 20). Moreover, these violent fluctuations have been around an average far below the pre-war level. For the six harvests 1949 to 1954, which included three bad and three relatively satisfactory years, the average output

¹ These problems are discussed in *European Agriculture—A Statement of Problems*, ECE/FAO, Geneva, 1954, Chapter 3, pages 33 *et seq.*

² As explained earlier, for the purpose of this discussion of the relationship between industry and agriculture Italy has been grouped with the industrialized countries.

Table 20

GRAIN HARVEST IN FOUR SOUTHERN EUROPEAN COUNTRIES

Millions of tons

Period	Yugoslavia	Greece	Turkey	Spain
Average 1934-38 .	8.0	1.4	6.5	8.7
1949/50	7.3	1.4	5.1	6.2
1950/51	4.6	1.4	7.5	6.5
1951/52	7.2	1.6	10.4	8.1
1952/53	3.8	1.7	11.9	7.4
1953/54	7.5	2.2	13.9	6.2
1954/55	5.0	1.9	10.6	8.3
Average 1949-54 .	5.9	1.7	9.9	7.1

Source : FAO statistics.

NOTE. — The figures include mixed grain and exclude rice.

of grain was one-fourth below the five-year average 1934-1938, and only in the best years did the harvest approach the pre-war average. Even though this partly reflects the diversion to other crops of land previously sown to grain, the shortfall in cereal output is impressive, and it could not help having repercussions on production in the urban sector.

The low level of agricultural output contributed, through its effects on the trade balance, to creating a shortage of raw materials for Yugoslav industry. The joint effect of the interruption of trade relations with eastern European countries, of the intensification of armaments production, and, not least, of the severe droughts of 1950 and 1952 appear in an overall volume of industrial production for civilian use, which in 1952 still remained below what it had been in 1949 (see Table 21). But the effects of the policy

Table 21

INDUSTRIAL PRODUCTION ^a IN YUGOSLAVIA

Index numbers—1949 = 100

	1950	1951	1952	1953	1954
Capital goods	110	116	126	164	180 ^b
Semi-finished goods . . .	104	99	101	110	126 ^b
Consumer goods	96	95	83	94	113
Total	103	99	98	110	127

Source : *Indeks*, No. 12, 1954.

^a Excluding shipbuilding, production of military equipment and the printing industry.

^b January-October.

of austerity carried out in those years is also reflected in the table; while the output of capital goods continued to increase, the reduction was concentrated in the consumer-goods industries, which had to bear the brunt of the shortages of raw materials, both of those from Yugoslav agriculture and of those which would normally have been bought from abroad against exports of agricultural produce. This development in industry had, in turn, adverse effects on agricultural progress, since adequate incentives could not be provided in the form of industrial consumer goods at attractive prices.

The crop failure of 1950 came at a most unhappy juncture when, after the political events of 1948, the Yugoslav economy had for some time been depleting its stocks of materials. The 1954 crop of cereals is not much better than that of 1950, and for bread grain alone it is even worse. This time, however, the effects are likely to be far less serious. A very large part of the shortfall in wheat is, it seems, to be covered by deliveries from American surplus stocks without entailing any strain on the balance-of-payments position of Yugoslavia. Moreover, industrial production has advanced considerably since the beginning of 1953, and with it the capacity to export. The continuation of this recent progress in industry—if it is to be achieved without the support of extraordinary foreign aid—will require a considerable increase in the output of Yugoslav agriculture. The awareness of this need is apparent in the decisions, taken in recent years, to allocate greatly increased investment resources to agriculture and, generally, in more attention being paid to the improvement of agrarian techniques.

Greece

The trend of agricultural output in Greece has been relatively favourable in the years since 1950 and, in contrast to Yugoslavia, the grain harvest (Table 20) is now, with normal weather conditions, considerably higher than before the war. Thus, the 1954 harvest, though lower than the bumper crop of 1953, was some 20 per cent above the pre-war average. The progress has been achieved mainly through the introduction of improved seeds and, more recently, through greatly increased use of fertilizer.

The improvement in the grain harvest, as well as in other lines of vegetable production such as rice and cotton, was one of the essential pre-conditions for overcoming, at last, the long and severe post-war inflation. However, during these same years, from 1950 onwards, when the domestic supply situation was continuously improving, foreign aid was also being rapidly reduced and monetary stabilization

was achieved only at the cost of a pronounced deflation in 1952 and the beginning of 1953 during which industrial production fell further from an already low level.

A distinct improvement occurred in 1953. The bumper crop, together with the favourable effects of devaluation on agricultural exports, improved the real income of the peasants, in spite of some decline in the prices of agricultural products relative to those of industrial goods. At the same time, the reduced needs for food imports made it easier to absorb the shock of the almost complete liberalization of imports.

The effects on industrial production were dramatic. From the second half of 1952 to the second half of 1953 the index of output in manufacturing industry rose by more than 25 per cent, largely in response to higher demand by the peasant population. The increase has continued in 1954, though at a much reduced rate.

This large increase in industrial output has come about mainly through a better utilization of existing capacity and of manpower already employed, and industrial unemployment does not seem to have been much reduced. The maintenance of almost completely free imports is, in fact, dependent on a monetary stringency which keeps total demand at a level well below that of full employment of industrial capacity and manpower. Thus, despite a conspicuous increase in industrial production over the last couple of years, idle capacity is said to exist in a number of Greek industries.

Turkey

The very impressive increase of industrial production in Turkey during recent years could not have taken place without the concurrent increase in agricultural output which both provided an expanding market among peasants for the products of industry and enabled the import drain accompanying industrial expansion to be offset to a considerable extent by higher exports of grain and cotton.

The output of grain almost doubled from 1950, which was a fairly good harvest year, to 1953 (Table 20). The extent of the improvement can perhaps best be seen from the fact that the 1954 grain harvest, though extremely bad by recently established standards, is still one-third higher than the average for the years 1934–1938.

The expansion of industrial production over the last few years has been of some 8 per cent annually, and in the same period road-building and other public investments have increased very considerably. Despite

the support provided by the agricultural upswing, this development engendered some inflationary pressure which appeared partly in the form of a moderate increase, by some 5 per cent per annum, in the cost of living and partly in the form of an almost permanently strained foreign balance. One of the more specific reasons for the inflationary pressure was the failure of agriculture to raise the output of livestock products and thus adapt its production structure to the change in demand resulting from higher incomes. As has also been the case in Greece, the increase in the output of animal products has been negligible. Another inflationary factor was the high rate of stock formation, partly in the form of wheat accumulating in the warehouses of the State purchasing agency because of the difficulties of disposing of it in the world market, and partly in the form of hoarding, especially in 1952, of import goods by merchants anticipating (and

thereby also hastening) the imposition of more severe import controls.

With the further deterioration of the foreign balance since late 1953, the import position has, in fact, come under such strain that industrial production, in some branches at least, has fallen owing to lack of raw materials. No comprehensive information is available on the course of Turkish industry in 1954, but there is reason to believe that no further increase over the 1953 level has taken place. A moderate improvement in the output of State manufacturing industries is probably offset, by and large, by a decline in mining and in private manufacturing industry. To the difficulties already apparent earlier in the year have now been added the effects of a sharp decline in agricultural output. It remains to be seen to what extent the accompanying decline in peasant incomes will affect the level of activity in the urban sector.

3. DIVERGENT MOVEMENTS IN THE UNITED STATES AND IN WESTERN EUROPE

In the latter half of 1953, as already noted, industrial production in western Europe was generally expanding after the weakening of 1952. It has also been noted that opinions on the immediate economic prospects tended at that time to be rather pessimistic under the influence of the temporary dullness in the steel and coal markets and of the beginning of the recession in the United States. In striking contrast to these expectations, the American recession was accompanied by a continued upswing in industrial production in western Europe, and this without renewed balance-of-payments difficulties.

In fact, during the more recent years the course of industrial production in western Europe has not tended to follow very closely that in the United States, neither as regards the amplitude of the swings nor as regards their timing. It can be seen in Chart 9 that the years since 1948, although a period without any major depression, have shown far more pronounced cyclical movements in economic activity in the United States than in western Europe. As mentioned above, divergent movements in various industrial sectors and in various countries of western Europe have to some extent cancelled out, and the result for western Europe as a whole is a curve of industrial production which, although failing to increase significantly from the middle of 1951 to the end of 1952, has at no time declined. By contrast, in the United States three periods of fall in industrial production can be distinguished since 1948 : first,

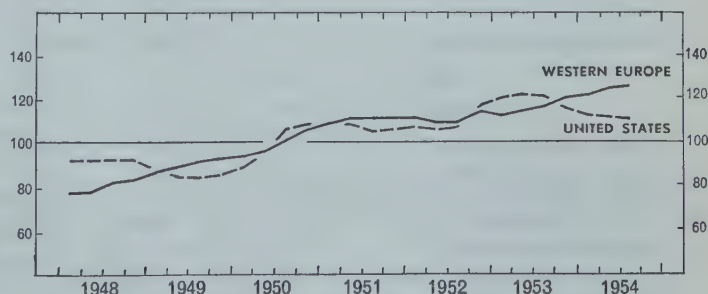
the recession of 1948/49, which was not accompanied by any decline in production in western Europe¹ although it profoundly affected its trade and payments position; secondly, a minor setback in 1951, prolonged into 1952 by the extraneous event of the steel strike and coinciding with a period of unchanging total production in western Europe as a whole; thirdly, the recession of 1953/54, during which industrial production in western Europe experienced an upswing.

¹ Recessionary tendencies were apparent in some western European countries in 1949, but this was not clearly related to the recession in the United States.

Chart 9

INDUSTRIAL PRODUCTION IN WESTERN EUROPE^a AND THE UNITED STATES, 1948 TO 1954

Quarterly index numbers—1950 = 100
Adjusted for seasonal variations



Sources and methods : See Appendix B

^a Nine western European countries combined—i.e. Austria, Belgium, Denmark, France, western Germany, Italy, the Netherlands, Sweden and the United Kingdom. These countries account for over 90 per cent of industrial production in western Europe.

The Course of the American Recession

There has been much debate about the exact nature of the 1953/54 recession in the United States, especially concerning the role played by the reduction of defence expenditure and the question of whether the accumulation of inventories which preceded the decline in production was an active, voluntary addition to stocks or a passive, unintentional accumulation of unsold commodities and work in progress. No final answers have been given to these questions, but the main components of the decline stand out fairly clearly. The main data are reproduced in Table 22.

Industrial production fell by 10 per cent from the second quarter of 1953 to the third quarter of 1954. As was to be expected, the decline in total gross national product was much smaller, of the order of 4 per cent, or some \$14 billion (at an annual rate). Consumption of durable goods failed to increase during the first three quarters of 1953 and then

declined by some 8 per cent until the beginning of 1954, but consumption of non-durables hardly declined at all, and that of services continued to increase throughout the recession. Besides the steadiness and even decline of sales of durables, one more factor suggests that a deficiency of demand in the private sector already existed in the first half of the year—namely, the considerable further increase in inventory investment. In fact, the increase in inventory investment from the first to the second quarter of 1953 accounted for more than one-third of the increase in the gross national product. The ratio of stocks to current sales thereby rose to a level even higher than that registered in 1948, before the downward adjustment in the recession of that year took place.

Attempts to reduce inventories appear to have begun in the middle of 1953, although only after production had been declining for some time did inventories actually fall. About the same time, in the middle of 1953, another and probably even more

Table 22

NATIONAL EXPENDITURE AND PERSONAL INCOME IN THE UNITED STATES

Billions of current dollars at seasonally adjusted annual rates

	1953				1954		
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter
<i>National expenditure</i>							
Personal consumption:							
Durables	30.4	30.3	30.3	28.0	28.0	28.8	28.9
Non-durables and services	198.2	200.5	200.9	201.7	202.4	204.3	205.9
Gross private fixed investment	49.1	50.5	50.4	49.7	48.7	49.4	50.1
Change in business inventories	2.8	5.4	2.0	—4.2	—4.2	—3.8	—4.8
Net foreign investment	—1.8	—3.3	—1.8	—0.6	—1.1	—1.0	—0.2
Government expenditure on goods and services:							
National security	51.0	54.3	52.3	50.6	46.9	44.7	42.1
Other	32.0	32.3	33.1	35.4	35.0	33.6	33.5
Gross national product	361.8	369.9	367.2	360.5	355.8	356.0	355.5
<i>Personal income</i>							
Personal income earned	273.8	276.7	277.9	277.1	274.5	274.5	275.0
plus transfer payments	13.5	13.6	13.6	14.3	15.2	15.8	15.8
less personal contributions for social insurance	4.0	4.0	4.1	4.1	4.7	4.6	4.6
less personal taxes	35.5	35.9	36.3	36.1	32.8	32.9	32.9
Disposable personal income	247.8	250.4	251.2	251.2	252.3	252.9	253.2

Source : *Survey of Current Business*, U.S. Department of Commerce.

powerful factor, the reduction in defence expenditure, began to make itself felt. During the following year, at least through the third quarter, the decline in military expenditure and the running-down of inventories were of the same order of magnitude. To some extent the two phenomena were, of course, inter-related, since the decline in defence expenditure must have engendered a considerable reduction in work in progress in the industries working for defence.

In spite of these heavy reductions in inventory investment and in defence expenditure, outlays on private fixed investment were fully maintained, smaller investment in industrial equipment being offset by an increase in house-building. Civilian Government expenditure increased slightly and, as already mentioned, total personal consumption expenditure increased somewhat. The fact that personal expenditure on durable goods fell considerably while total disposable income rose until the third quarter of 1953 and then remained unchanged suggests that the recession coincided with, and was to some extent enhanced by, a temporary saturation of the markets for some important groups of durable consumer goods—among them automobiles—a saturation which would have to be explained by reference to the specific cyclical pattern of those commodities.

The continued increase in total personal consumption expenditure throughout the recession, despite the decline in income payments in the private sector, was due mainly to the compensating effect of tax reductions which, though decided upon at an earlier stage, came as a convenient support of demand, as did the increase in Government transfer payment for unemployment relief. The quantitative importance of these factors can be seen from the figures in the lower part of Table 22, which show that disposable personal income continued to increase in spite of a decline in personal income earned.

The relative stability of private fixed investment throughout the recession may have been partly a result of the relaxation of monetary policy since May 1953 and, perhaps, of the reduction of corporate taxation. Partly also it may have reflected the simple fact that in spite of the rather widespread cut-back in production no depression psychosis developed in the business community during the recession. This is witnessed by the remarkable strength of the stock market during the recession.¹ Finally, there was a marked increase in expenditure by the individual states, largely for construction, which was itself to some extent a result of cheaper money.

¹ The Dow Jones index of prices of 65 stocks rose from 104 in June 1953 to 123 in June 1954 and to 138 in November 1954.

The External Effects of the Recession

There are three main ways in which a recession or depression in the United States can normally be expected to affect the economies of European countries. First, a decline in activity in the United States is likely to be accompanied by a lower volume of American imports and by increased competition from American exports. Whether the decline in imports and the increased export pressure affects European countries directly or *via* their trade with overseas countries, the result would tend to be a decline of employment in European export industries. Secondly, a fall in import demand in the United States may engender a decline in world-market prices of raw materials and thus directly affect those European countries which are exporters of raw materials, such as the Scandinavian exporters of forestry products, or countries which, like the United Kingdom, are closely affiliated with overseas countries dependent on exports of primary products. Thirdly, there is the danger of a purely psychological contagion from a depressed mood in the American business community. This latter danger is, of course, particularly serious if the recession is accompanied by a decline in raw-material prices, and, conversely, a fall in raw-material prices is the more likely to take place the more such a speculative attitude becomes a general feature in the leading industrial countries.

As it happened, the American recession left the general level of raw-material prices unchanged, and the effects on the volume of United States imports and exports—hence, on western Europe's balance-of-payments position—were rather limited, as seen in the figures below :

Volume and Unit Value of United States Imports and Exports

Index numbers—first half 1953 = 100

	Second half 1953	First half 1954
Imports :		
Volume	94	93
Unit value . . .	100	102
Exports :		
Volume ^a	98	104
Unit value . . .	100	100

Source: *Foreign Commerce Weekly*.

^a Excluding special categories.

It appears that the volume of exports remained almost unchanged. The smallness of the decline in United States imports, together with some stabilization measures taken in the United States, can go some way towards explaining the remarkable stability of raw-material prices. A further important element in the explanation is to be found, it would seem, in the

different movement of stocks, since the Korean boom, in Europe and in the United States. In the United States, stocks had remained at a very high level after the Korean upturn and, following a minor decline in the middle of 1952, they rose again considerably in the first half of 1953. In western Europe, the general tendency during recent years has probably been a downward movement of stocks, concurrent with the decline in raw-material prices, to about the level obtaining before the Korean boom. At any rate, there is nothing to indicate that stocks of raw materials in Europe were at an abnormally high level in 1953. Thus, when, in the middle of 1953, business in the United States attempted to reduce stocks which were felt to be too high, the situation in western Europe was not such as to make the business community adopt a speculative attitude *à la baisse*—the less so in the absence of a depression psychosis in the United States itself.

In these circumstances, the American recession failed to create balance-of-payments difficulties in Europe. Between the first half of 1953 and the first half of 1954 the value of United States imports from Europe fell by some 12 per cent, and its exports to Europe rose by some 8 per cent.¹ The result, as far as Europe's payment relations with the United States were concerned, was that Europe's deficit (before counting economic aid and military receipts) rose from \$0.6 billion to \$1.0 billion, measured at annual rates, between the two periods, while the total supply of dollars arising from military expenditure abroad,

¹ This increase is to be attributed to more liberal import policies in western Europe rather than to fiercer competition during the American recession.

defence aid and economic aid remained almost unchanged at an annual rate of \$2.1 billion.² This decline in the net supply of dollars to Europe was in itself considerable, but it was relatively innocuous, in the circumstances, since it came at a time when the outside world, and western European countries in particular, were increasing their holdings of gold and dollar assets at a rapid rate. Whereas the 1948/49 recession came on top of an already strained dollar balance of western Europe, the effect of the 1953/54 recession was only to reduce somewhat the rate at which western European countries were adding to their gold and dollar reserves. In the three half-years since the beginning of 1953, the increase (at annual rates) of the gold and dollar holdings of western European countries amounted to \$1.9, \$2.5 and \$1.8 billion respectively—a decline, but still strongly on the positive side in sharp contrast to the events of 1949.

In conclusion, it must be borne in mind that two particular circumstances helped to prevent the American recession from having serious repercussions in western Europe. One was the fortunate circumstance that the cyclical situation in the middle of 1953 was sufficiently different in the United States and in Europe to prevent the spread of the recession through a generalized attitude of bearishness. The second was the exceptional factor of high and increasing American disbursements abroad on defence account which enabled western European countries to withstand the payments effects of the American recession.

² For a fuller statement of these developments, see Section 5 of Chapter 4.

Chapter 2

RECENT CHANGES IN THE ECONOMIES OF EASTERN EUROPE

1. THE OLD PLANS AND THE NEW

A substantial improvement in standards of living is foremost among the objectives of policy assigned by the eastern European countries for the present phase of their economic development. The change in priorities which this objective entails has been more strongly emphasized in some countries than in others. In Czechoslovakia, Hungary, Rumania and eastern Germany, the measures taken during the past two years are commonly referred to as marking a "new phase" or "new course".¹ Present policies are not, however, so sharply differentiated from earlier practice in Poland and still less so in Bulgaria, which was in any event engaged in drafting and inaugurating a complete new Five-year Plan in 1953.²

The original long-term plans of the late 'forties, separately conceived and differently timed, had as a common feature that they were all aimed primarily at strengthening the industrial base of the economies. They had nevertheless not neglected to call for quite big increases in the output of the light industries and agriculture. Moreover, the output pattern of the heavy industries themselves, and in particular engineering and chemicals, had been fixed in such a way as to permit increased supplies of machinery and fertilizer to agriculture. The plan revisions made in 1951 pushed up the proposed extension of capacity in heavy industry still further and imposed a new output pattern on the engineering and chemical industries, but they also revised upwards the capacity and output plans for a number of the light industries and, notably,

for agriculture. In the event, the revised plans placed what proved to be excessive demands on resources available and quite early decisions had to be taken as to which parts of the plans to sacrifice. In an international situation judged to be threatening, the result was that priority in the allocation of investment resources—labour and materials—was given to the completion of the big projects for new capacity in the heavy industries and, within the engineering and chemical industries, to cut back the production programmes of consumer goods and goods needed by light industry and agriculture.

As a result of these policies the industrial base of the economies was greatly strengthened: in 1953 the production of iron ore, steel and electric power in the eastern European countries was, according to the data reproduced in Table 23, about twice as great as before the war, and the output of coal, cement and sulphuric acid about 50 per cent up on their pre-war

Table 23
SELECTED DATA ON OUTPUT OF BASIC
MATERIALS IN EASTERN EUROPE ^a
Millions of tons or MWh

Commodity	Pre-war	1948	1950	1953	1954 Plan
Coal ^b	138.2	144.5	164.4	196.6	210.5
Crude petroleum . .	6.9	5.1	6.2	11.0	12.0
Electric power . . .	30.3	33.6	42.6	58.6	65.8
Iron ore ^c	3.7	2.9	3.6	6.2	7.2
Crude steel	6.8	6.0	8.3	12.5	13.8
Sulphuric acid ^d . .	0.8	0.6	..	1.2	..
Cement	7.7	5.7	8.1	11.7	13.5

Sources: Tables LV to LXI and Plans for 1954.

NOTE. — Pre-war figures refer to 1938 except for Czechoslovakia and Poland (1937). Pre-war figures for sulphuric acid refer to 1939 for Bulgaria and to 1936 for eastern Germany.

^a Bulgaria, Czechoslovakia, eastern Germany, Hungary, Poland (post-war territory) and Rumania. Albania only for crude petroleum.

^b Hard-coal equivalent.

^c Gross weight.

^d Net weight.

¹ In Czechoslovakia the Government described the new measures as a "reorganization" or "reconstruction" of existing plans.

² Bulgaria, which is still only at the beginning of its industrial development, stands as something of an exception to many of the generalizations made in this chapter. Its original long-term plan, to run from 1949 to 1953, had been drafted earlier than most of the others and was wound up in 1952. It would appear, as discussed in last year's SURVEY (page 62), that the first plan had ceased to correspond to the current situation and it may be that the second Five-year Plan (1953-1957) takes sufficient account of the new trends to avoid the need for further major revisions in priorities.

levels. Paradoxical though it may seem in the light of such rates of increase, these basic products were nevertheless all bottleneck items, so great were the demands for them entailed in the increase of capacity in the engineering and chemical industries.¹ Along with this came an increase of more than one-third from 1948 to 1953 in non-agricultural employment, as may be seen in Table 24.

¹ The increase in the output of the engineering industry cannot be so simply measured because of the diversity of goods

Meanwhile, consumption was adversely affected in two ways : directly because fewer durable goods of metal or wood, fewer houses and, for lack of allocation of foreign exchange, fewer textiles were produced than had been planned, and indirectly, and more seriously, because agriculture did not receive the inputs necessary for maintaining or extending the production of food.

produced. Production data for selected items are, however, given in Tables LV to LXI.

Table 24
NUMBER OF PERSONS EMPLOYED OUTSIDE AGRICULTURE
Thousands

	1948	1953		1948	1953
BULGARIA ^a			HUNGARY ^a		
Manual workers	350	550	<i>Mining and manufacturing</i>		
Other employees	250	400	Manual workers		
TOTAL	600	950	Large-scale industry	360	700
CZECHOSLOVAKIA ^b			Handicrafts	180	10
<i>Mining and manufacturing</i>			Total	540	710
Manual workers			Other employees ^c	80	300
Metals and engineering	360	515	Self-employed persons ^d	140	40
Other heavy industry	290	..	Total	760	1 050
Glass	30	25	<i>Building and construction</i>		
Textiles and clothing	200	215	Manual workers	40	250
Leather and footwear	35	40	<i>Transport, trade, services and public administration</i>	1 000	1 250
Other light industry	210	..	TOTAL	1 800	2 550
Total	1 125	1 350	POLAND ^b		
Other employees	215	400	<i>Mining and manufacturing</i>		
Self-employed persons	10		All employees	^e	
Total	1 350	1 750	Large-scale industry	1 450	2 150
<i>Building and construction</i>			Co-operative, handicrafts and local industries	200	350
Manual workers	200	300	Private handicrafts	425	200
<i>Transport, trade, services and public administration ^c</i>			Total	2 075	2 700
All employees	1 550	2 075	<i>Building and construction</i>		
TOTAL	3 100	4 125	All employees		
RUMANIA ^a			National enterprises	225	800
TOTAL	2 000	2 700	Private enterprises	50	—
			<i>Transport, trade, services and public administration</i>	2 150	2 550
			TOTAL	4 500	6 050

Sources : See Appendix B.

^a End of year.

^b Average over year.

^c Including non-manual workers in building and construction.

^d Including self-employed in building and construction.

^e 1949.

The growth of the economies, rapid though it was in heavy industry, thus became unbalanced in two senses. In the first place, there was a lack of correspondence between the output of basic materials and the needs of the industrial superstructure, which resulted in inefficient use of capacity and waste. Second, the consumer, though sharing for a time in the fruits of industrial growth and the initial recovery of agricultural production, was in most countries of the region actually suffering a reduction in his standard of living, which threatened to become cumulative unless an effort were made to restore agriculture.¹

About mid-1953—in some cases even earlier—remedial action was undertaken. The pressure on supplies of coal, steel, cement and electric power was to be reduced by slowing down the rates of expansion of the engineering, building and chemical industries. Meanwhile, as Table 23 shows, the effort to improve matters from the other side—by increasing the output of the basic products—was to continue, with the prospect that work in progress would yield considerable returns over the next several years.² Simultaneously, the discrepancy between the rapid growth of national income and the deterioration of consumption was to be eliminated by a combination of four other changes in priorities.

In the first place, it was decided to stabilize for the time being, and in some countries even to cut, the total volume of investment and to eliminate or postpone some big long-term projects which, while adding new capacity in one industry, competed with necessary replacements in the same industry or in complementary industries.

¹ The former Prime Minister of Hungary, Mr. Rákosi, put the matter very succinctly: "We committed a fault first of all by changing over to an excessively fast development of our heavy and producer goods industries and by often neglecting in our planning the material resources and realistic possibilities of our country. But the most important of our faults was committed when in February 1951 the industrial targets of our plans were raised by us to much too high levels. We had, of course, decided at the same time to raise the living standards of the working population as well. But I have to repeat: faults crept into our revised Five-year Plan which rendered such an increase in living standards impossible from the start." (*Szabad Nép*, 12 July 1953.)

² The considerable input of investment resources into large new projects has not yet yielded full returns, because of the length of the construction and running-in period required. For example, the largest metallurgical plant in Poland, Nowa Huta, will supply 1.5 million tons of steel when it comes into full operation in 1957, but it was only in August 1954 that its first blast-furnace started production. Similarly, neither of the two largest hydro-electric projects under construction in Poland has yet come into operation, and much of the investment made in opening up new sources and sinking new pits in the coal-mines will be reflected in the output figures only over the next several years.

Second, the output pattern of the heavy industries was to be changed so as to make available more durable consumer goods, to allocate more building materials to housing and to provide more foreign exchange for imports of consumer goods.

Third, it was decided to devote a greater proportion of investment resources to agriculture and light industry and to change the output pattern of the heavy industries so as to make available more tools and machinery and more fertilizers and insecticides to farmers.

Fourth, greater attention than before began to be paid to the possible advantages of getting supplies from abroad, either within eastern Europe or elsewhere in exchange for exports of goods which an individual country was particularly fitted to produce.

These four choices were, of course, not taken separately. Nevertheless, they came in some cases as *ad hoc* responses to the problems of the day and each of them, though connected with the others, has a somewhat different status. The first decision was essentially intended to make more resources immediately available for consumption, to cut losses on disappointing projects, to raise the standard of maintenance so that existing capacity could be more efficiently utilized, to eliminate bottlenecks and, in short, to clear the decks for a future resumption of the upward trend of investment.

The second decision—that on durable consumer goods and housing—may be regarded as a response to the changed international situation in 1953 and as one which could be reversed should the international sky cloud again. So far, it is probably the one which has brought the most immediate gain to the consumer, both in the towns and in the countryside. Though the output targets for durable consumer goods have not always been hit in 1954 owing to difficulties of reconversion of the engineering industry, the increase in supplies during recent months has been substantial, and in this field of consumption it seems probable that supplies are already above what was contemplated when the long-term plans were drawn up.

The third decision—to allocate more resources to agriculture—was aimed at correcting a miscalculation made in the plan revisions of 1951, which, by failing to leave enough room for the development of food production, had interfered with the attainment of the priority targets themselves. It may therefore be supposed that the present efforts to utilize the land more fruitfully will persist, whatever happens elsewhere. In the meantime the rather considerable increases in agricultural investment already decided

on should probably be regarded merely as harbingers of greater increases in the future.

Investment in Agriculture

(Percentages of total investment in the whole economy in 1953)

	1952	1953	1954	1955	1956
	<i>Actual</i>		<i>Latest programmes</i>		
Bulgaria	..	8.6 ^a	12.6 ^a	..	..
Czechoslovakia	4.9	5.5	10.0	17.0	..
Hungary	12.7	13.2	19.9	..	..
Poland	7.1	8.6	11.7	16.3	..
Rumania	..	6.2	10.3	16.7	22.2

^a Budget forecast.

Finally, the desire to reduce costs all round by increasing the international division of labour is reflected in the increasingly strong interest expressed by the eastern European countries in expanding their foreign trade, including that with western Europe and with overseas countries. Within the region, the intention is to co-ordinate all of the next series of national long-term plans so that they coincide with the next Soviet Five-year Plan starting with 1956.¹

¹ The "new phase" in the international trade of eastern European countries is considered in detail in Chapter 5.

Poland may have had this aim in view from the beginning in putting its first plan on a six-year basis ending in 1955, and the Rumanian and east German plans also had this as the target year. Czechoslovakia and Hungary, however, have had to resort to short-term bridge plans in order to make their next long-term plans fit in point of time with the others.²

How much total consumption is expected to expand as the combined effect of the changes described and what the extent of the re-allocation of resources to consumption will be cannot be foreseen. The series of ratios assembled in Table 25 indicate that the consumer's share in total spending was intended to become significantly greater than it had been in 1952, the changes planned being greater in Czechoslovakia and Hungary than in Poland, but they cannot be used to measure the share of total resources devoted, or to be devoted, to consumption in any year because

² The periods covered by the first series of long-term plans were as follows: Czechoslovakia and Bulgaria, 1949-1953; Hungary, 1950-1954; Poland, 1950-1955; Rumania, eastern Germany and Albania, 1951-1955. The exceptional position of Bulgaria with respect to the period covered by its second long-term plan has been noted above.

Table 25

SHARE OF CONSUMPTION IN NATIONAL INCOME ^a

Percentages

	1950	1951	1952	1953	1954 Plan	1955 Plan
<i>Czechoslovakia</i>						
Personal consumption	..	..	57	57	62	67
Collective consumption	..	..	13	18	..	..
Total	78	75	70	75	..	..
<i>Hungary</i>						
Personal consumption	62	56	56	58	70	..
Collective consumption	13	14	18	17	12	..
Total	75	70	74	75	82	..
<i>Poland</i>						
Total consumption	73	72	73	75	79	80
<i>Rumania</i>						
Personal consumption	..	..	..	52	57	..
Collective consumption	..	..	..	16	15	..
Total	..	..	..	68	72	77

Sources: See Appendix B.

^a At current prices. It should be borne in mind that consumer goods in general bear indirect taxation and far higher rates than investment goods.

Moreover, as retail prices increased up to 1953 and fell subsequently, the inflation of the ratio resulting from indirect taxation increased up to 1953 and was reduced in 1954.

they are not corrected for differences in the price conventions used for valuing the various components of national product.¹

The absolute increases in supplies of consumer goods and services implied by the new short-term targets are equally difficult to foretell, if only because of uncertainties as to the part to be played by international trade. What can be said is that, apart from the special case of metal goods, Governments have not encouraged consumers to expect more than modest increases in home-produced supplies. The textile output programmes are not ambitious and could probably be attained without using all capacity. The housing programmes so far announced, as will be seen, are probably little more, if any, than is needed to stabilize present conditions. Finally, in the four more industrialized countries of the region, a conservative view is taken of the prospective increase in agricultural production: output is expected to remain, for some years, below the targets set when the original version of the first long-term plans were drawn up and lower still in relation to the revised plan of 1951.

Indices of Agricultural Output

Targets for final year of long-term plans

(Percentages of output achieved in year before plan)

	<i>Original plan</i>	<i>Plan published in 1951</i>	<i>Plan published in 1953</i>
Czechoslovakia (1953) .	137	153	113 ^a
Hungary (1954)	142	154	115
Eastern Germany (1955) .	..	157	121
Poland (1955)	150	150	121

^a Actual output in 1953. The target indices for 1954 and 1955 are 127 and 132 respectively.

This more cautious approach to the magnitude of their agricultural problems finds its justification in the harvest results for the past year, to the extent that they can be judged from the limited data so far reported and reproduced in Table 26. While potato and sugar-beet crops seem to have been fairly satisfactory compared with other recent years, grain har-

¹ Under the accounting practices employed in eastern Europe and the Soviet Union, national income is, very roughly, the sum of consumer goods valued at retail prices including turnover tax and investment goods valued at ex-factory prices. It follows that when retail prices are rising relatively to the prices of investment goods, as was the case up to 1953, the share of consumption in the money national income will tend to be artificially raised; similarly, when retail prices are falling relatively to investment-goods prices the share of consumption will tend to be reduced. This being so, it might be argued that the changes in the ratios shown since 1952 under-state the increase in the consumer's share in national product at comparable factor prices. On the other hand it must be pointed out that, though the definition of "collective consumption" is nowhere exactly stated, it is fairly certain that it includes expenditure on some goods which could scarcely be regarded as of immediate relevance to standards of living.

Table 26

HARVEST RESULTS IN EASTERN EUROPE ^a

Millions of tons

Country and year	Bread grain	Coarse grain	Potatoes	Sugar beet
<i>Bulgaria</i>				
1939	2.1	1.6	..	0.3
1952	2.5	0.4	..	0.4
1953	2.7	1.6	..	0.8
1954	2.4	1.6	..	0.8
<i>Czechoslovakia</i>				
1935-37	5.4		9.9	4.8
1952	4.8 *		..	4.7
1953	5.0		8.5	5.5
<i>Eastern Germany</i>				
1934-38	3.6	2.9	13.6	5.4
1952	3.6	2.4	12.0	5.0
1953	3.1	2.2	12.0	5.0
1954	5.0		13.3	6.1
<i>Hungary</i>				
1934-38	2.9	2.3 ^b	2.4	1.0
1952	2.3	1.4 ^b	1.1	1.2
1953	2.7	2.6 ^b	2.2	2.5
1954	2.4	2.8 ^b	2.3	2.5
<i>Poland</i>				
1934-38	8.8	4.5 ^c	38.0	6.0
1952	8.2	2.9 ^{cd}	26.6 ^e	6.0
1953	8.1	..	31.3	6.9
1954	8.7	..	33.8	7.3
<i>Rumania</i>				
1935-39	8.5		1.0	0.4
1952	4.5		2.3	0.8
1953	6.0		..	0.9
1954	6.2 *		..	..

Sources and methods: See Appendix B.

^a Pre-war figures refer to post-war boundaries. The 1954 figures are highly provisional.

^b Maize only.

^c Barley and oats only.

^d 1951-1953 average.

^e 1951-1952 average.

vests, except in Poland and Rumania, have been less favourable than those of 1953.

The relaxation of the pressure to achieve extremely rapid results is also reflected in the indices of the gross value of industrial production in 1954: in all cases the increases reported were lower than in earlier years, very much lower in Hungary and Czechoslovakia, where even the relatively low targets for the year were not reached, though in Poland and eastern Germany the rate of increase remained almost as high as in 1953.

Gross Output of Industry
(Corresponding period of previous year = 100)

	1951	1952	1953	Plan	Actual
Albania	147	120	122	113	110 ^a
Bulgaria	119	118	112	108	109
Czechoslovakia	115	118	110	105	104 ^b
Eastern Germany	122	116	113	113	111 ^a
Hungary	130	124	112	105	103
Poland	124	120	118	112	111
Rumania	129	123	114	108	..

^a January-September. ^b January-June.

Other factors of a more transitory nature may, however, also have contributed to this general slowing-down, in particular the problems of reconversion and materials shortages already mentioned.

Czechoslovakia

The change in policy in Czechoslovakia came too late to affect significantly the pattern and level of production in the last year of the Five-year Plan then already nearing its term. It will be seen from Table 27 that the production of steel and electric power in 1953 reached, and in the one case surpassed, the very high levels envisaged in the revised plan published in 1951. In the case of electricity this was achieved by dint of using plant that should ideally have been undergoing overhaul¹ and brought as a corollary frequent breakdowns and power cuts, with consequent uncovenanted increases in idle time, overtime and labour costs. Nevertheless, it was a remarkable technical achievement. Iron-ore production expanded to a level nearly halfway between the level contemplated in 1948 and the much higher one laid down in 1951. Coal production just about reached the earlier target and coke production exceeded it, but the output of cement fell somewhat short.² The range of engineering output was vastly extended and the index of gross production of the engineering industries was above the target figure of the revised Plan.

These substantial successes were achieved by the use of far more manpower than had been anticipated. It will be seen from the table below that the plan published in 1949 had budgeted for an increase of about 400,000 in non-agricultural employment by 1953, a figure raised to about three-quarters of a million in 1951: in fact, over a million workers were needed in a period when the population of working-age was not increasing, over half of them not in industry

¹ The average annual increase in the consumption of electric power over the three years from 1950 to 1953 was 11.9 per cent, the average annual increase in generating capacity 4.3 per cent.

² For further figures on changes in the output of particular commodities, see Table LVII.

itself but in the ancillary services of transport, trade and, not least, Government. As a result, Czechoslovakia, with a population 1.2 million smaller than in 1930,³ found itself in 1953 having to support a population in the service trades, much of it representing a social overhead cost, nearly 50 per cent higher than in the earlier year.

Actual and Planned Employment Outside Agriculture in Czechoslovakia^a
(Thousands of persons)

(Thousands of persons)			1953		
	1930	1948	Plan published in 1949	Plan published in 1951	Actual
Mining and manu- facturing (including handicrafts) . . .	2 070	1 350	1 625	..	1 750
Building and construction ^b . . .	330	200	300	..	300
Transport, trade, services and public administration ^c . .	1 400	1 550	1 600	..	2 075
Total . . .	3 800	3 100	3 525	3 880	4 125

^a Yearly averages.

^b Manual workers only.

^c Including non-manual workers in building and construction.

The recruitment of women into the labour force went so far that they now make up more than 35 per cent of the total outside agriculture. Even so, the loss of manpower to agriculture, whose share of the total population fell over five years from 29 to 20 per cent, was something that it would have been impossible to compensate except by a tempo of mechanization far higher than either of the Plans had envisaged.⁴ In fact, the stock of tractors (see Table LXIV) in 1953 was only two-thirds of what had been planned in 1948.⁵

The scarcity of labour in agriculture, together with the uncertainties induced in the peasantry by the speed of the collectivization programme, resulted in the at least temporary abandonment of about half

³ 1930, a census year, is frequently used in official publications for purposes of comparison with the present position. Sub-Carpathian Ruthenia is excluded from all of the figures cited.

⁴ The President of Czechoslovakia, Mr. Zápotocký, has said: "The decrease in manpower [in agriculture] was out of step with the progress of mechanization and causes many shortages and disorders". (*Zemdelstke Noviny*, 4 January 1954.)

⁵ In the single year 1948, 9,000 tractors and 43,000 grain harvesters were produced in Czechoslovakia, whereas total deliveries to Czechoslovak agriculture during the next five years were only 14,000 and 13,600 respectively. It is not clear to what extent production after 1948 was directed to export markets, and to what extent capacity was shifted to other types of goods.

Table 27

PLANNED AND ACTUAL OUTPUT IN CZECHOSLOVAKIA

	Unit	1948	1953			1954 Plan	1955 Plan
			Plan published in 1949	Plan published in 1951	Actual		
<i>Mining industry</i>							
Hard coal	Millions of tons	17.7	20.8	25.0	20.3	22.0	23.3
Brown coal		23.6	32.2	35.8	32.8	37.1	39.4
Coke		5.6	8.0	8.0	8.5	9.3	..
Iron ore		1.4	1.4	3.8	2.3	2.5	..
Crude oil	Thousands of tons	49	240	306	196	212	..
<i>Power industry</i>							
Electric power	Million MWh	7.5	11.2	12.3	12.4	13.9	15.4
Coal gas ^a	Billions of m ³	0.6	2.9	2.9	0.9	..	..
<i>Iron and steel industry</i>							
Pig-iron	Millions of tons	1.6	2.7	3.0	2.8	3.0	..
Crude steel		2.6	3.5	4.5	4.4	4.6	4.9
Rolled products		1.7	2.5	3.8	2.9	3.3	..
<i>Engineering industry</i>							
Railway wagons and coaches ^b . .	Thousands	11.0	7.7	..	12.5	..	..
Motor vehicles ^c		13.2	24.0	32.8	20.9	..	..
Electromotors under 0.5 kW and 0.5-25 kW		448	890	890	623	..	..
<i>Chemical industry</i>							
Phosphate fertilizers ^d	Thousands of tons	387	438	514	477	571	697
Nitrate fertilizers ^d		161	220	330	193	230	322
Soap		28	53	..	60	..	..
<i>Building materials industry</i>							
Cement	Millions of tons	1.6	2.6	3.4	2.3	2.8	3.2
Lime		0.9	1.3	1.3	1.1	1.3	..
Bricks	Billions	0.9	1.3	..	1.3	1.5	1.7
Plate glass	Thousands of tons	131	114	..	147	..	..
<i>Light industry</i>							
Paper	Thousands of tons	260	320	320	317	327	..
Cotton fabrics	Millions of metres	280	479	479	347	..	..
Linen and half-linen fabrics		35	52	52	48	..	..
Silk fabrics		26	78	78	44	..	..
<i>Food production</i>							
Refined sugar	Thousands of tons	518	790	972	637	705	..
Butter		23	49	52	34	38	..
Milk	Millions of hectolitres	25	47	..	32	36	42 ^e
Slaughtered meat							
Beef	Thousands of tons of live weight	224	366	993	288	..	..
Pork		232	498		283	314	379

Sources and methods: See Appendix B.

^a Production in gas works plus amounts supplied by coke works to other consumers.

^b Expressed in terms of goods wagons: one passenger coach = 10 goods wagons, 1 rail motor = 12 goods wagons.

^c Expressed in terms of lorries: 3 passenger cars = 1 lorry.

^d Gross weight.

^e 1957 Plan.

a million hectares of land, mostly marginal but also rather concentrated in the frontier districts earlier vacated by the Sudeten Germans. In spite of improvements in yields per hectare, notably in Slovakia, the fodder base proved quite inadequate to support the numbers of animals postulated in either version of the long-term plan. As a result, Czechoslovakia, formerly close to self-supporting in food, found itself obliged to allocate foreign exchange for the import of grain and meat at a time when the raw material requirements of industry, especially for the production of consumer goods, were inadequately met.

The new short-term plans formulated in 1953 thus lay the greatest emphasis on the need to increase the input of capital and labour into agriculture. An increase in the agricultural labour force of 320,000, if possible young people,¹ during the three years 1954 to 1956 is stated to be necessary, and of the increase in the total labour force of 166,000² set as target for the year 1954 it seems that about 60 per cent were to be attracted into agriculture.

The main stress in the field of agriculture is laid on increasing the production of fodder crops, but the livestock numbers now contemplated for the end of 1955 show little or no increase over the actual numbers in 1953 and are lower than the targets for that year which had been set in both the original and the revised plan.

Livestock Population in Czechoslovakia
(Millions)

		(End of year)			
		1953			
	1948	Original plan of 1949	Revised plan of 1951	Actual	1955 Latest programme
Cattle	3.66	4.40	5.02	3.84	a
of which cows	1.87	2.35	2.91	2.18	a
Sheep	0.46	..	1.74	1.11	1.33
Pigs	3.24	4.05	5.13	3.46	3.73

a Defined as "on the same level" as in 1953.

It will be seen from Table 27 that the output of meat, milk and butter, all scarce commodities in Czechoslovakia today, is expected to remain for some years well below the original 1953 target.

It is thus clear that, short of a wholly exceptional investment programme in agriculture and the transfer of manpower to the farms from tertiary employment, Czechoslovakia will have to rely on foreign trade more than in the recent past if it is to raise its standard of

¹ The average age of those engaged in agriculture is said to be as high as 50. "While about 40 per cent of young workers have been recruited as apprentices in industry, only about 6 per cent have been going into agriculture." (*Pracovní Síly*, 1954, No. 1.)

² Even this figure, it is stated, would be realizable only if 75,000 more housewives could be induced to seek paid employment.

living to a level corresponding to its high degree of industrial development. This is evidently the assumption which underlies the present short-term programmes and can be expected to figure even more prominently in the long-term plan which is to follow. In line with this objective, efforts are being made to reactivate such traditional exporting industries as the Bohemian glass industry, though much of the skilled manpower is now scattered. The main hopes, however, must rest on the engineering industries, which have a highly skilled labour force as well as a large proportion of modern equipment.

Hungary

It was already clear before the policy changes of 1953 were made that the high targets for the basic industries which had been set in the Hungarian plan revisions of 1951 could not be realized by the end of the plan period. As Table 28 shows, coal, pig-iron, steel and cement were, in 1953, all lagging behind those targets. Nevertheless, output of these products was well up to, and in some cases, in excess of the less stringent but still considerable requirements of the plan as first published in 1949. The oil industry almost doubled its output between 1949 and 1953. Sixty-five new factories were built, 40 of them in the heavy industries, and 70 existing plants extended during the four years 1950 to 1953. Electric generating capacity increased by 50 per cent. Of coal output in 1953, one-sixth came from new shafts. Within the engineering industries the output of machine-tools had grown swiftly, a new factory was producing 5,000 motor lorries a year, and the production of ships, transport equipment, mining and building machinery, generators and other electrical products had been greatly expanded, much of it for export.

As elsewhere in eastern Europe, however, the production of tractors and agricultural machinery had been allowed to fall a long way behind schedule; fertilizer production was inadequate; the output of small farm machinery and tools had dwindled almost to nothing.³ Mainly, perhaps, because of the deterioration of farm capital which this implied,⁴ but also because of the effort to push collectivization faster than mechanization or the construction of necessary farm buildings, the output of agriculture was running

³ See *Bulletin*, Vol. 6, No. 3, page 34; for further details on the changes in the output of particular commodities, see Table LV.

⁴ The Prime Minister, Mr. Nagy, recently said: "For many years a principle was applied according to which agriculture was to produce increasing quantities without capital accumulation. This is, of course, nonsense: agriculture cannot possibly increase its production without accumulating capital." (*Szabad Nép*, 20 October 1954.)

Table 28
PLANNED AND ACTUAL OUTPUT IN HUNGARY

Commodity	Unit	1949	1953	1954		
				Plan published in 1949	Plan published in 1951	Plan published in 1953
Coal and lignite	Millions of tons	11.8	21.3	18.5	27.5	22.7
Electric power	Millions of MWh	2.5	4.6	4.6	6.6	5.1
Pig-iron	Millions of tons	0.40	0.72	0.96	1.28	0.86
Crude steel		0.86	1.54	1.60	2.20	1.68
Cement		0.55	1.10	1.05	2.10	1.16
Machine-tools	Millions of forints at 1949 prices	185	795	610	..	..
Tractors	Thousands	2.60	0.80	4.60	..	4.00
Cotton cloth	Million m ²	167	209	258	264	220
Woollen cloth		16.0	16.4 ^a	27	30	..
Leather footwear	Millions of pairs	4.2 ^b	8.4	..	..	10.0 ^b
Refined sugar	Thousands of tons	144	266	279	..	287

Sources : See Appendix B.
a 1952.

b Alternative figures (including production of artisan co-operatives) shows a rise from 4.6 million pairs in 1949 to 12.3 million in the Plan for 1954.

at a rate hardly above that of 1949 and, far from showing any signs of increase, was, in 1952 and 1953, in the case of livestock produce, rather tending downwards.¹

The growth of industrial and building employment had brought in its wake, as in Czechoslovakia, a big increase in employment in ancillary urban activities (see Table 24) including a two-thirds increase in Government employment from 1949 to 1953² and an increase considered to have been excessive in the number of administrators, foremen and designers in the manufacturing and building industries.³

¹ See *Economic Survey of Europe in 1953*, page 69.

² See "A Strict Rule of Economies in All Fields is an Indispensable Pre-condition for Raising Living Standards", by E. Apró, *Társadalmi Szemle*, 1954, No. 8-9, page 83 : "The rapid development of the country's economy and the centralized organization of its administration required a certain increase in the number of posts but to a much lesser degree than had actually happened. We created many unnecessary jobs, which means that many men had been diverted from productive work and that administration became expensive, heavy and bureaucratic . . . Because of this inflation in the number of office workers, it is of extreme urgency and timeliness to rationalize State administration . . . as well as the administration of enterprises and to reduce unnecessary employment."

³ Some striking figures are quoted on this point. Thus, it is said that for every 100 productive workers in the building industry in 1953 there were 50 other employees in building enterprises themselves and 11 in building design institutes. In all, 15,000 persons were employed in building design institutes in 1953 (an increase of 3,000 over the previous year), and the cost of design accounted for 10 per cent of total building costs in 1954, as compared with 4 per cent two years earlier. In coal-mining there were in 1953 21 ancillary employees to every 100 miners; in a Budapest machine-tool factory the ratio of ancillary employees to productive workers was as high as 66 per cent; in industry as a whole it was 33.8 per cent in the second quarter

When it was recognized that the plan could not be realized and that a reconsideration of priorities was needed, the Hungarian Government was, in a sense, in a more favourable position than that of Czechoslovakia. Because the plan was less advanced, it was still possible without undue loss to stop work on a number of investment projects still in their early stages. The opportunity was, however, also taken to suspend work on some, notably the extension of the Budapest underground, in which much labour and capital had already been invested. The decision was taken not merely to stabilize total investment but actually to cut it below the level of previous years.⁴

The sobriety of the short-period targets announced for 1953 and 1954 corresponded with this reappraisal of the economic position. The Government called for a rise in the output of coal, electric power and metals, all bottleneck items, but planned for a reduction of the output of the engineering industry and of the heavy industries as a whole in 1954,

of 1953, and in spite of the hostile criticism the ratio rose to 35.9 per cent over the next twelve months. (See Apró, *op. cit.*, and *Szabad Nép*, 21 October 1954.)

⁴ The Hungarian authorities have been exceptionally emphatic in their reaction against the system of priorities applied from about 1951 to 1953. Thus, a former chairman of the Central Planning Board, Mr. Zoltán Vas, expressed himself as follows : "Our present difficulties are in part the bills for the Great Power policy of the 'country of iron and steel' . . . We could have done without the rapid development of Szolnóváros [the site of the new steel mill built since 1950] . . . As a consequence of excessive industrialization and a neglect of agriculture our national economy lost its natural balance, which it is now no small task to restore." (*Szabad Nép*, 27 October 1954.)

doubtless foreseeing the need for considerable retooling before the pattern of output could be changed. There was no expectation of any quick increase in the output of textiles. Although the main task set to agriculture was to increase fodder production, no increase in the number of cattle (though some in cows) or pigs was foreshadowed over the three years 1954 to 1956, all the emphasis being laid on the need to restore yields. The targets for agricultural output over this period all seemed well within the capacity of Hungarian agriculture, assuming normal weather and the increases in farm input contemplated.

Poland

The announced revisions of the Polish Six-year Plan targets which were current in 1953 have been less drastic than in Hungary. In 1953 the basic industries—coal, iron ore, pig-iron, steel, cement and, most of all, electricity—though they had achieved impressive increases in output, were still a long way from the levels required for fulfilment of the plan in 1955.¹ There may therefore have been a tacit reduction of some of the main targets or an abandonment of some of the priority projects. Indeed, this is clearly implied in the stabilization of the total investment programme at the 1953 level for the remaining term of the plan, together with the rather considerable redistribution planned. On the other hand, 1954 saw the biggest increase since 1950 in the capacity of the heavy industries as investment projects were completed: among them an aluminium mill, new blast-furnaces and coke-ovens at Nowa Huta, two thermal generating stations, a nitrogenous fertilizer plant and a cement works.

Coal and electricity apart, it seems likely that the record of plan fulfilment will be good in the sector of heavy industry. In this connection it is worth recalling that, because of the accident of its timing, the Polish plan was never formally revised upwards, but almost from the start took into account the facts of the international situation as they then presented themselves.² It may consequently have been more realistically adjusted to the resources and possibilities of the country than was possible in other countries, where new projects had to be fitted into a framework of plans already in operation. Nevertheless, it seems that the manpower requirements had been somewhat under-estimated. It will be seen from Table 24 that employment outside agriculture in 1953 was already rather more than 6 millions, of whom 5.7 millions

were in the socialized sector: according to the Plan employment in this sector was to reach 5.7 millions only in 1955, the last year of the Plan.

As elsewhere, the original plans for light industry and agriculture had long ceased to be operative, and the revised programmes issued during the last eighteen months call in a number of cases, notably textiles and agriculture, for outputs in 1955 lower than those contemplated in the long-term plan.

Harvests of Main Crops and Livestock Populations in Poland

	1950	1953	1955	
			Original Plan of 1950	Revised Plan of 1954
Rye (million tons) . . .	6.5	6.3 ^a	6.9	6.5
Potatoes	36.9	31.3	39.8	33.1
Cattle (million head) . . .	6.8	7.4	9.5	8.0
of which : Cows . . .	4.4	..	6.5	5.5
Pigs	9.4	9.7	10.5	10.8

^a Average of years 1951 to 1953.

The main shortcoming of the previous agricultural planning had been the failure to ensure sufficient fodder to support a livestock population of the pre-war size (see Table LXII): it is calculated by the Polish Ministry of Agriculture that there was a deficiency of 4 million "fodder units" (or 15 per cent of total fodder requirements) in 1951 and the position had since deteriorated. Failing a sufficient production of green fodder because of inadequate supplies of natural and artificial fertilizers and insufficient improvement of irrigation, an increasing share of potatoes and grain was fed to animals.³ As a result, it proved necessary to import 1 million tons of grain from the Soviet Union in 1953 and again in 1954. For the time being it seems that imports will have to be maintained if the livestock population is to be increased. The first aim of the new agricultural programme is thus to increase fodder production.

Eastern Germany

The long-term plan in eastern Germany had two main aims: to repair wartime destruction and to create a more balanced pattern of industry in the area created by the zonal partition of Germany. The hard core of the plan was the reconstruction and extension of the existing twenty-four heavy engineering concerns and of other plants in the electro-technical, precision instruments and optical industries, whose

¹ For details on changes in the output of particular commodities, see Table LVI.

² Though 1950 was the initial year, the Polish plan was not actually promulgated until August of that year.

³ The share of grain and potatoes fed to animals changed as follows:

	1949	1953
	(percentages)	
All grains	9	15
Potatoes	20	31

basic task was to produce investment goods for domestic use and to supply international markets, particularly in the east. A base of energy, steel and chemicals was to be built up to supply these industries.

When the plan was revised in 1951, one year after its inception, two important changes were made. First it was decided to develop the raw-material base of the heavy industries—lignite, iron ore and cement—further than had originally been intended. Second, while the total engineering output planned was only slightly raised, considerable alterations were made in the composition of this output. There was to be an expansion in the output of boilers, of mining, metallurgical and chemical equipment, of ships and motor-lorries, of turbines and other electrical equipment, while the output programmes for tractors, farm machinery and railway equipment were to be cut.

By 1953 this programme was progressing extremely satisfactorily, as may be seen from Table 29, and eastern Germany had succeeded in widening very considerably the range of its heavy engineering production, while also expanding its output of the lighter engineering goods (notably precision instruments and optical goods) traditionally produced there. The revisions made to the plans for heavy industry in 1953 were thus comparatively slight: the targets for iron ore and cement were adjusted downwards, but in the case of the engineering industries the revisions took the form rather of further extensions of the range of products

to cover motor-cycles, bicycles, television sets and the like.

In the field of the light industries the picture is varied. It is clear that the targets set in 1951 for textile fabrics will not be hit. On the other hand, a considerable expansion in the output of knitted goods and leather footwear is foreshadowed.

Agricultural output has been unsatisfactory, but an improvement can be expected as a result of the allocation of more investment resources to agriculture which will make the current shortage of farm labour less acute. In the meantime, the main hope for improving food supplies may lie in the increased opportunities for earning foreign exchange which eastern Germany's modern engineering industries have, now that reparation payments to the Soviet Union have come to an end.

Rumania

The major issues of economic policy have been publicly discussed far less in Rumania than in the countries so far considered. The Five-year Plan for 1951 to 1955, like the Polish Six-year Plan, was never formally revised, but during the period of concentration on the extension of heavy industry it was decided to attempt to complete it in four years. In 1953 this attempt was abandoned and adjustments were made to some of the key targets: upwards in the case of oil,

Table 29
PLANNED AND ACTUAL OUTPUT IN EASTERN GERMANY

Commodity	Unit	1950	1953	1955			1954 Plans published in 1953
				Plans published in 1950	Plans published in 1951	Programmes published in 1953	
Lignite	Million tons	137	175	205	225	..	193
Electric power	Million MWh	18	23	32	33	29	26
Iron ore	Million tons	0.4	1.3	1.8	3.7	..	1.5
Pig-iron		0.3	1.1	1.25	2.0	..	1.6
Crude steel		1.0	2.2	3.0	3.1	..	2.5
Rolled steel		0.8	1.5	2.2	2.2	1.8	1.7
Cement		1.4	2.4	2.6	4.0	2.75	2.5
Machinery	Billion DM at plan prices	3.8	6.8	8.1	8.2	..	7.7
Electro-technical equipment		1.29	2.51	2.25	2.44	..	3.02
Precision instruments and optical goods		0.55	0.84	0.93	1.31	..	1.08
Chemicals		4.01	6.30	6.60	8.18	6.87	6.48
Sulphuric acid	Thousand tons	233	348	400	450	..	..
All sorts of cloth	Million square metres	261	391	525	525	347 ^a	288 ^a
Knitwear	Million pieces	60	114	135	136	172	162
Leather shoes	Million pairs	8	18	21	24	27	26.5

Sources: *Die Wirtschaft*, No. 30, 1950, page 13 and No. 52, 1953, pages 5-8; *Gesetz über den Fünfjahrplan* (official publication), pages 216-225; *Der Aussenhandel*, No. 52, 1953, page 1262; *Neues Deutschland*, 15 September 1954; Table LVIII.

^a Total of only cotton, silk and rayon cloth.

production of which had recovered remarkably after 1950¹ and somewhat downwards in the case of steel and generating capacity.

At the same time, greatly increased investment funds were allocated to the food-processing² and other light industries,³ while work on the Danube-Black Sea Canal was stopped.

Planned and Actual Output or Capacity

	1950	1953	1955	
	Actual	Actual	Plans published in 1951	Programme set in 1953
Crude oil (million tons) . . .	5.3	9.5	10.0	11.0
Crude steel	0.56	0.72	1.25	1.00
Cement	1.00	1.90	2.86	2.70
Electric generating capacity (MW)	..	..	1.70	1.38

The main attention, however, was focused on the expansion of agricultural output. Whereas policy had hitherto been designed to reduce the proportion of the land sown to grain, the new short-term agricultural programme covering two or three years calls for the expansion once more of the area under grain, and particularly under maize, which is important for the national diet as well as for fodder.⁴ Even if only the pre-war yields are attained, the resulting increase in

¹ In part owing to the use of new methods which permitted increases in the amount of oil recovered from wells previously thought to be exhausted.

² In order to contribute to a solution of the bread problem in towns, investment in bakeries, *inter alia*, was to be expanded.

³ Total investment in light and food-processing industries was to be 170 per cent of the 1953 figure in 1954. In fact, it was increased in food processing by 60 per cent and in light industries by only 27 per cent, and the latest investment target for the light industries in 1955 is only 148 per cent of 1953.

⁴ In 1953, a good harvest year, only 70 per cent of calculated fodder requirements were met. (*Probleme Economice*, No. 6, 1954, page 17.)

grain production by 1956 will be greater than that envisaged in any other eastern European country.

	Area under grain (Million hectares)	Harvest (Million tons)
1935-39 average	8.16	8.51
1949-53 average	6.20	4.53
1956 Programme	7.36	10.50 ^a

^a At pre-war yields this would be about 8 million tons.

Bulgaria

The new Five-year Plan of Bulgaria for 1953 to 1957 follows much the same pattern as its predecessor.⁵ The main emphasis continues to be on the development of industry—employment outside agriculture is scheduled to increase by almost one-third by 1957 to a figure of 1¼ million—and, within industry, of heavy industry. The production of coal, electric power and cement is to be almost doubled; pig-iron output, in 1952 negligible, is to be about 100,000 tons a year. A greater proportion of investment outside industry is, however, to be devoted to agriculture and less to transport. The tempo of mechanization of farming operations⁶ is to be maintained and the irrigated area (a quarter of a million hectares in 1953) is to be doubled by 1957. Within agriculture, primary importance is attached to increasing the number of livestock (including horses), which had declined after 1948.

Actual and planned Livestock Population in Bulgaria

	(Million head)		
	1948	1953	1957 Plan
Cattle	1.9	1.7	2.1
Sheep and goats	10.0	8.4	9.7
Pigs	..	2.1	2.2

⁵ The plan was not published, however, until 1954, when one year of the planning period was already past. It is thus possible that some adjustments to an earlier version were made during the course of 1953.

⁶ The stock of tractors—5,000 in 1948 and 13,500 in 1953—is planned to increase to 23,000 in 1957.

2. CHANGES IN STANDARDS OF LIVING AND PERSONAL INCOMES

Consumption Trends up to 1953

The concentration of effort on realization of plans for heavy industry, together with the rapid growth of urban populations and the relatively low priority given to agriculture, had the effect of placing heavy pressure on supplies of foodstuffs and other consumer goods. A further consequence was that, with attention focused on the achievements in industry, little information was published on levels or trends of consumption and scarcely anything by way of comprehensive and comparable statistics. Though this situation is now changing as consumption needs are taken more fully

into account, it is still difficult to be precise concerning either current or past levels of consumption.

The occasional data available on total or *per capita* supplies of particular commodities, real wages and production programmes do, however, permit the generalization that, in most countries of the region, consumption improved fairly rapidly after the war, reaching a peak some time during the period from 1950 to 1951, and then deteriorated. The low ebb came in the early months of 1953, when food supplies were reduced after the previous year's bad harvest and supplies of fuel, electricity and manufactured

consumer goods had become very irregular because of the priority accorded to heavy industry.

For most countries of the region quantitative data are too fragmentary to illustrate this development in detail. It happens that the most comprehensive figures are available for eastern Germany, where the timing of events had been rather different from that sketched above.

Per Capita Consumption of Food in Eastern Germany
(Kilogrammes)

	1936	1950	1952	1953 1st half ^a	1953 2nd half ^a
Sugar	22.9	14.5	29.3	27.2	34.8
Flour	109.2	..	..	120.3	
Potatoes	170.8	..	..	197.3	
Meat & meat products	46.8	16.0	..	30.8	38.5
Fish and fish products	..	..	8.5	5.4	8.5
Animal and vegetable fats	15.0 ^b	22.1	25.1	19.3	23.7
Liquid milk (litres)	127.0	30.2	..	..	..

Sources: *Statistische Praxis*, Karteiblatt, No. 10, 1950, No. 10, 1953; *Neues Deutschland*, 9 December 1952, 5 June 1954, 29 July 1954; *Tägliche Rundschau*, 21 August 1954.

^a At yearly rates. *Per capita* consumption of meat and meat products and fats for the full year 1953, as given in the original source, has here been divided between the two halves of the year in proportion to retail sales of these products.

^b Not including lard.

Starting from a very low level of economic activity in general after the war and a seriously retarded reconstruction, consumption in eastern Germany increased fairly steadily from 1949 until there came the critical food shortage in the spring of 1953. Even after the recovery in the second half of that year, made possible by large imports, meat consumption *per capita* was still one-fifth below the pre-war level, though the consumption of such "cheap" foods as sugar, potatoes and bread had increased.

Somewhat similar, though less complete, figures for Czechoslovakia show that between 1948 and 1950 there had been a remarkable improvement in food

supplies, much of which was distributed through meals at factory canteens and schools, and that the level of meat consumption was already above what had been planned for 1953. In that year, however, meat consumption fell below the level reached in 1950, and the consumption of meat other than pork was actually lower than in 1948.

These are average figures for the year as a whole, including the large increase in imports during the second half of the year: until September total meat consumption, including pork, was probably no higher than in 1948. Meat was, as in eastern Germany, the critical item, though butter and milk were also in short supply, and these deficiencies were only partially offset by an increase in the consumption of eggs and lard along with that of the cheaper foods.

In Hungary, as in Czechoslovakia, there had been an improvement in the diet up to the disastrous harvest of 1952, when, in the absence of sufficient imports of fodder, peasants slaughtered a large number of pigs, thus enjoying an involuntary temporary improvement in consumption and sales. In 1953, meat supplies for the country as a whole were one-quarter lower than in the previous year, while milk consumption had already been reduced for lack of fodder. Even after taking account of an appreciable improvement in the second half of the year, the real wages of industrial workers already in industry in 1949 are officially estimated to have fallen by about 5 per cent in 1953, though the earnings of new entrants to industry had increased. It is, moreover, explained that this estimate understates significantly the real deterioration, since the calculation takes no account of the loss in welfare caused by involuntary shifts in expenditure patterns.¹

Even less precise detail is available on the development of consumption in Poland. The only comprehensive figures are those given below on total sales by retail shops. Since urban sales have a heavy weight in these figures, the fact that the volume of retail sales (including the expanding sales by catering establishments) increased much less than total

Per Capita Consumption of Food in Czechoslovakia
(Kilogrammes)

	1948	1950	1953 Plan published in 1949	Actual
Pork	8.1	..	16.8	20.9
Other meat and meat products	17.0	..	21.0	15.6
Total meat and meat products ^a	25.1	39.0	37.8	36.5
Lard	2.9	2.4 ^b	5.8	6.3
Eggs (number)	93	108 ^b	147	161
Sugar	22.7	27.3	..	27.8
Wheat flour	94.8	124.5	..	134.2

Sources: *Hospodar*, No. 45 and No. 48, 1949; *Zásobovací zpravodaj*, No. 44/1951; *Statistický obzor*, No. 10/1954.

^a Pork, beef, veal and products thereof.

^b First half of 1949.

¹ See Mrs. A. Mód, "Problems of Principle and Method concerning Real Wages and Real Incomes", *Statistikai Szemle*, No. 8, 1954. This article gives an account of the careful way in which indices of retail prices and real wages are calculated for different groups of the population. According to this explanation, the index of retail prices which is used in the calculation of real wages is a chained index of the Paasche type; that is, it compares, for pairs of years, the cost of buying the basket of goods actually bought (i.e., actually available) in the later year of the pair. In 1953, it seems, a price index of the Laspeyres type would have shown a considerable rise. Moreover, throughout the period food of identical, or even in some cases lower, nutritional value got a progressively higher weight in the index as the proportion of raw food sold in a costlier processed form increased.

urban population from 1950 to 1953 is indicative of the growing pressure on supplies of consumer goods in the towns and cities.

Volume of Retail Sales in Poland

(Billions of zlotys at 1953 prices)

	1950	1951	1952	1953
Socialist sector	79	93	96	102
Private sector	16	7	5	5
Total	95	100	101	107

Little is known about short-term variations in consumption in Rumania.¹ So far as may be judged from the increase in the number of livestock, meat consumption may have risen between 1948 and 1953, and there was a more than threefold expansion of the output of vegetable oils, which now probably account for the bulk of the fat consumption of the urban workers.² On the other hand, Rumania, traditionally a grain-exporting country, has found it difficult to provide sufficient cereals for its own consumption. The production of bread in State bakeries, which serve mainly towns but, as the years go by, also an increasing share of rural areas, was about 45 per cent higher in 1953 than in 1948 : over the same period urban population is said to have increased in almost exactly the same ratio, and supplies of maize, an important constituent of the Rumanian diet, were reduced. Sugar production has been running at a level sufficient to allow for a *per capita* consumption of about 6 kilogrammes a year, rather above the pre-war figure.³ Consumption outside the towns can hardly have been above 3½ kilogrammes, however, and it is evident from the sugar-beet production contracts recently announced—which provide for a free issue of sugar to beet producers, varying with their output—that sugar is still a highly prized luxury in the countryside.

In the case of manufactured consumer goods, the position has been, until recently, more uniform throughout eastern Europe in that supplies have been low and irregular during most of the post-war period and increasingly so after 1951. Thus, though there were about 100,000 marriages a year in Hungary, the annual factory production of sets of kitchen furniture had dropped to 1,500 and private handicraft shops, which had formerly been important in the wood-working industries, had almost disappeared.

¹ Still less information is available on consumption levels and trends in Albania and Bulgaria.

² In 1953 until rationing was wound up in December, the annual basic ration of those gainfully employed in towns was 6 litres, or the equivalent of 5½ kilogrammes, of vegetable oil. The national average consumption of all fats in the 'thirties was rather less than this.

³ This is still, however, only about a quarter of the consumption on the Polish farms referred to in footnote ⁴ below.

The shortages of consumer goods, of course, fell with uneven incidence on the various sections of the population. In Poland the peasants, with small opportunities of obtaining manufactured goods and with delivery obligations lighter than those in other eastern European countries, were led to consume an increased proportion of their produce and, in the process, to improve the composition of their diet considerably. Thus, it is officially estimated that *per capita* consumption of meat, milk, eggs and sugar on the typical holding of 5 to 10 hectares increased significantly between 1949 and 1952, whereas consumption of cereals and potatoes declined.⁴ Similarly, the Hungarian peasants, though having heavy compulsory deliveries to meet, were able to keep up their food consumption, harvest fluctuations apart. Moreover, they had opportunities, denied to the urban population, of adding to their farm earnings (sometimes at the expense of agricultural productivity) by small non-agricultural services, and the share of their earnings which came from outside agriculture increased.

Recent Changes in Consumption and Incomes

All indications are that personal consumption rose substantially in the second half of 1953 from the low levels of the previous months. Several factors contributed to permit the immediate increase in sales of consumer goods, among them a big increase in imports into eastern Germany, emergency imports into several other countries, releases from strategic stocks in eastern Germany, and the existence of stocks of textiles unsold during the past months of financial stringency in Hungary. But the main factor was the coincidence of a good harvest in 1953 with the announcement of changed policies towards farmers. Not only was the supply of home-produced food considerably greater than in the previous year, but the peasants—assured that they would in future have

⁴ The figures (published in *Wież w Liczbach*, Warsaw, 1954, page 111) relate to those farms which keep regular accounts of their operations in a standard form :

Per Capita Annual Consumption of Adults
(Kilogrammes except as otherwise specified)

	1949	1952
Milk ^a (litres)	346	535
Eggs (number)	180	221
Meat	20	28
Fats other than butter	8	8
Sugar	14	23
Wheat flour	65	69
Rye flour	133	103
Groats	9	5
Pulses	3	2
Potatoes	314	263

^a Including milk consumed in the form of butter.

increased opportunities of obtaining manufactured goods for their own personal use as well as for the improvement of their holdings—were more eager to sell their produce to the towns.¹

During the winter of 1953/54 things went less well than had been hoped in the industries producing consumer goods: the power cuts necessitated by the unusually hard weather continued to bear more heavily on light industry than on heavy industry, and raw materials remained a bottleneck. Some of the ground lost then was recovered in the second quarter of the year by dint of heavy overtime,² and the global production plans for the food-processing and light industries, despite some important failures,³ were at least sufficiently well met during 1954 to increase supplies of manufactured consumer goods significantly over what they had been a year earlier.

In Hungary for example, in the first nine months of 1954, 300 tons of aluminium pots and pans were produced, as compared with only 23 tons in the same period of the previous year, 19,000 vacuum cleaners as compared with 500. Altogether, the enterprises of the Ministry of Metals and Mining produced 27 per cent more consumer goods in the first eight months of the year than they had done a year earlier, though the total output of manufactured consumer goods was up by only 12 per cent. The Plan had called for an increase of 20 per cent in total retail sales and of one-third in sales of manufactured goods only.⁴

In Rumania, the total volume of retail sales has been provisionally estimated at one-sixth higher in 1954 than in 1953. The production of metal consumer goods was twice as high as in the previous year. Thanks largely to an increase in capacity, bakeries and edible-oil factories considerably exceeded their

plans for the year. The volume of retail turnover in Czechoslovakia was reported at 28 per cent higher in July and August than it had been a year earlier. In Poland, retail sales increased by 18 per cent during the first three quarters of the year, a bigger change than in any year since 1950.

In eastern Germany, total retail turnover moved as follows:

1953 = 100		
1953	First half	87
	Second half	113
1954	First half	101
	Second half	127

Within these totals, food sales in eastern Germany increased only moderately, but the sales of manufactured goods were 21 per cent higher in 1954 as a whole than in 1953 and supplies were rising at an increasing rate. Thus, of the supplementary programme launched in April for an extra billion marks' worth (or 10 per cent more) of manufactured consumer goods in 1954, nearly 90 per cent were ready by the end of November and more than half of that had been produced in the two months October and November.

In most countries there were during 1954 indications that the selection of goods available for purchase at retail did not always correspond to consumers' preferences; unwanted stocks of some manufactured goods co-existed with unspent purchasing power in consumers' pockets. To some extent this merely reflected the fact that industry's progress in improving standards of quality, in reducing the proportion of rejects and in fulfilling not only global production plans but also "product-mix" plans⁵ has been less fast than consumers' progress in developing a more discriminating attitude than they were able to afford when almost all goods were scarce.

In Czechoslovakia and eastern Germany, both countries dependent on imports for a considerable margin of their food, the situation was more serious: irregularities of import arrivals, coupled with a lack of stocks, brought irregularities in retail supplies of meat and fats and there were the familiar symptoms of a failure of food supplies to match potential demand at existing prices—in eastern Germany the maintenance of rationing and in Czechoslovakia queues at food shops. The 1954 grain harvests were, in these two countries, less favourable than in 1953 and have impaired the prospects for an immediate further improvement in food supplies except to the extent that place can be found in import programmes for an increase in food purchases from other countries.

¹ Thus, free-market supplies of food to Budapest increased as follows:

	1953	1954
	(Thousands of tons)	
Meat	0.4	1.8
Poultry	3.1	5.7
Fats	0.1	1.0
Milk products . . .	1.9	2.2
Potatoes	12.2	28.6
Vegetables	124.3	157.9
Fruit	43.8	45.2

² In Hungary shortfalls in the output of the textiles, leather and footwear industries, varying from 15 to 20 per cent in the first quarter, were made good in the second quarter at a cost of 1 million hours of overtime.

³ In Czechoslovakia deliveries to retail shops in the first half of 1954 were only 72 per cent of what had been planned in the case of cotton clothing and 73 per cent in the case of woollen clothing.

⁴ The percentage share of manufactured goods in total retail sales in recent years has been as follows: 1950-51, 47; 1952, 41; 1953, 40; 1954 Plan, 48.

⁵ See *Economic Bulletin for Europe*, Vol. 6, No. 3, pages 30 and 31.

This discrepancy between money incomes and supplies of consumer goods can nevertheless not be wholly explained by factors on the supply side. In all countries there have been increases in money wages. Some of these were designed as measures of social justice. Thus, in Hungary, where the lowest-paid workers had borne the brunt of price-rises in earlier years,¹ whereas the wages of skilled workers in the priority industries had been raised to considerable heights, increases were granted to all but the 40 per cent of workers in the higher wage-brackets. In Eastern Germany the basic wages of the four lowest grades of workers in all industries were raised by about 10 per cent in July 1953. There were similar increases in Poland, where pensioners, some groups of wage-earners and teachers were granted increases, and in Rumania, where the wages of workers in the lowest grades were increased on the occasion of de-rationing in December 1954.

Other increases were designed to change the relativity of earnings as between different industries, so as to accord more closely with the new priorities. In eastern Germany, for instance, the higher grades of workers in what had been the non-priority industries were granted increases in January 1954. In Poland the earnings in cash and kind of employees of State farms and machine and tractor stations were increased substantially and efficiency bonuses introduced. More recently there have been similar changes in Czechoslovakia. Finally, in Rumania and eastern Germany, job classifications, long familiar in the priority industries, were introduced in the light industries,² together with higher piece rates and efficiency bonuses.³

These intentional adjustments to new circumstances were, however, by no means the only increases in wages. In Czechoslovakia there have been many complaints that managers have overspent wage funds, and in the first seven months of 1954 alone over-spending on wages in industry is said to have amounted

¹ The poorest 10 per cent of families, with incomes less than 40 per cent of the average, found that between 1949 and 1953 their costs of living increased by 8 per cent more than the richest 12 per cent, with incomes more than double the average (see Mód, *op. cit.*). The incentive for housewives to go out to work was thus strong (and encouraged by the provision of day nurseries) and the average number of earners per family increased from 1.4 to 1.6.

² That is to say, workers were from then on to be paid according to the nature of their work as distinct from their craft qualifications.

³ The highly differential effect of this measure in Rumania can be seen from the following indices of average earnings in the first half of 1954:

First half of 1953=100	
Food processing	130
Textiles	126
Coal-mining	110
All industry	115

to over 1.1 billion Czech crowns, or 10 per cent of the planned total expenditure. In Poland overtime payments are said to have been excessive in the mining, metal and building materials industry. In Hungary earnings were kept up and even increased by unauthorized additions to wages in spite of the general enforcement of the instruction limiting overtime to 8 hours a month. In eastern Germany, where money wages were intended to rise less fast than labour productivity in 1954, the reverse happened, in fact, during the first nine months of the year,⁴ and there are recent indications that a raising of wages norms—that is, a reduction of piece rates—is to be enforced.⁵

Also in eastern Germany the price reduction expected in the spring was postponed because supplies of consumer goods were not great enough at the time, and was not carried out until the autumn, but the year passed without the promised abolition of rationing. There are, of course, special difficulties in the way of derationing in eastern Germany: a unification of prices at the present level of free prices would impoverish the lowest-paid workers, while a unification at a lower level and a simultaneous de-rationing might precipitate a big demand from those living in West Berlin which could be checked only by imposing further controls. Eastern Germany thus remains the last country in Europe with rationing,⁶ Rumania having lifted its controls in December 1954.⁷ In the meantime, a serious attempt is being made to induce the east German population to increase voluntary saving,⁸ and it is stressed that present abstention from consumption will be rewarded by later reductions in the prices of consumer goods.

⁴ The index of labour productivity rose by 5 per cent, average earnings by 10 per cent.

⁵ One of the Deputy Prime Ministers, Mr. Ulbricht, stated the following on this point in his recent declaration on the economic tasks in the new year (see *Neues Deutschland*, 1 January 1955): "Important technical improvements have been carried out and new machinery installed in the course of the last two years in many enterprises, but wage norms have remained unchanged. There are cases in which the workers fulfil their daily norm in half a day and cases in which their fulfilment regularly reaches 150 per cent of the norm."

⁶ Rationed supplies were 62 per cent of total supplies in the case of meat, and 83 to 87 per cent in the case of sugar, fats and milk.

⁷ On this occasion the prices of goods formerly rationed were raised somewhat, not always to the level of prices for free supplies over and above the ration, some other prices were reduced, and persons formerly entitled to allocations of food at low prices were compensated by special cash allowances granted at rates varying with the different ration groups.

⁸ Interest of 3 per cent is paid on savings deposits and rates up to 5 per cent are offered on deposits blocked for three years. A savings drive is also going on, with some success, in Rumania, where the sums deposited with the State savings banks were 85 per cent greater in the first half of 1954 than during the corresponding period of 1953 and the balances held in savings banks in rural areas in December 1954 were two and a half times as great as a year earlier.

Housing Programmes

When the original long-term plans were drawn up there had not yet been time to compensate for the effects of the wartime cessation of house-building, nor, in Poland and eastern Germany, had more than a start been made on the reconstruction of war-ruined towns. The problem before the Polish Government in particular was immense. Meanwhile, the programmes of industrialization, and hence urbanization, in the long-term plans implied that there would be a considerable internal migration of population which was bound to add to the demand for new house-room.

The rates of dwelling construction foreseen by the plans varied considerably from country to country. Bulgaria and Rumania, where war damage had been small, had very modest programmes of a different order of magnitude from those elsewhere, in the main, it appears, because it was assumed that most construction in the countryside would be of the traditional simple type done by the peasants themselves. In the other countries of the region the least ambitious programme in terms of crude measures of space, though not certainly in terms of architectural quality, was that of Poland, which must be presumed to have had the greatest need.

In the end, however, building in the countries with the largest programmes—notably Hungary—fell behind schedule, whereas in Poland and eastern Germany dwelling construction proceeded at the planned speed. As Table 30 shows, the annual average ratio of the amount of dwelling-space built to the total population in all the four more industrialized countries up to the year 1954 was between 80 and 120 square metres, or equivalent to about 2 to 3 dwellings per 1,000 persons.

In Czechoslovakia completions were somewhat above the planned rate in 1951 and 1952 but then fell away sharply. In Hungary the rate of building never rose much above the rate attained in the year before the Five-year Plan—about half the rate laid down for the plan period—and fell from 1951 onwards, as a result of a fall in houses built for owner-occupiers, mainly in the countryside, which made up two-thirds of all the dwellings constructed in the years 1950 to 1954. In Poland, where almost all dwelling construction was undertaken by the State for occupation by tenants, there has been, on the other hand, a steady progress in the number of rooms built in each year of the Six-year Plan so far.¹

¹ For the figures of completions each year, see Table LII.

Table 30

YEARLY AVERAGES OF DWELLING CONSTRUCTION IN EASTERN EUROPE

	Unit	Bulgaria 1949-1952 ^a		Czecho- slovakia	Hungary	Eastern Germany	Poland ^c	Rumania
		Total	of which urban	1949-1953	1950-1954	1951-1953 ^b	1950-1954	1951-1953 ^{bd}
Yearly average under the long-term plan	Thousands of m ²	260	182	1 940	1 760	2 000	2 008	560
Actual yearly average . .		850	234	1 416 ^e	880	1 900	2 088 ^f	344
Total population in 1953 .	Thousands	7 500		12 800	9 600	18 400	26 500	17 150
Yearly average — Plan .	Square metres per thousand inhabitants	35		152	183	109	75	33
Actual		113		111	92	103	82	20

Sources: See Appendix B.

^a Planned average annual construction during the five years of the 1949-53 Plan and actual average annual construction during the four years over which the Plan was in operation. The Five-year Plan appears to have embraced only the dwellings to be built with State help, while the actual results include all peasants' construction from local raw materials.

^b Planned average construction during the five years of the 1951-55 Plan and actual average construction during the three years 1951-1953. The latest

target figures for 1954 and 1955 are higher than the actual figures for the three previous years.

^c Planned average annual construction during the six years of the 1950-55 Plan and actual average annual construction during the five years 1950-1954.

^d Both the planned and actual figures exclude most of the peasants' construction for which no official allocation of building materials was needed.

^e Including 368 800 m² of dwellings on a "self-help" basis. Including some building, mainly private, outside the Plan.

In each country an effort was made to allocate new dwellings to workers in priority industries and, in general, to concentrate new building in the new towns related to big projects in the heavy industries—for example, the new steel towns of Sztalinváros in Hungary and Nowa Huta in Poland, the newly developed regions in Slovakia (which accounted for 74,000 of the total 177,000 dwellings built in Czechoslovakia during the years 1949-1953), and the coal-mining districts and oilfields of Rumania, which took over a quarter of the total flats and living-quarters built in 1953. In eastern Germany, on the other hand, over a quarter of the new dwellings completed in the years 1951 to 1953 were for employees of the machine and tractor stations. New building in the capital cities was comparatively restricted, even where, as in Budapest and Warsaw, there was a considerable increase in population superimposed upon the existing congestion.

New Dwelling Space Completed

	<i>Capital city</i>	<i>Country as a whole</i>
Czechoslovakia (Thousands of dwellings)		
1949-1953 total	8	177
Hungary (Thousands of dwellings)		
1950-1953 total	10	84
Poland (Thousands of rooms)		
1950-1955 Plan — total . . .	104	723
1953 Actual	19	135
1955 Latest programme . . .	29	162

House-room therefore had to be rationed in several capitals. In Budapest the number of persons per dwelling increased from 3.3 in 1949 to 4.0 in 1954, a relatively high figure, since more than four-fifths of all dwellings in Budapest are one- or two-room flats.¹ Even so, it seems likely that, for the time being, the overcrowding is more serious in some of the newer centres of industry in Hungary, though congestion in the countryside has probably been reduced. In Poland the density of the urban population fell somewhat, but in 1952 still remained high at 1.58 persons per room.

The three countries where house-building had fallen farthest behind the original plans—Czechoslovakia, Hungary and Rumania—decided as one of the 1953 changes in priorities to allocate increased supplies of labour and materials to dwelling construction and to set new targets for 1954 and 1955 which, though still below the old obsolete ones, represented a considerable advance on the current

rate of building.² The effects of this are not yet visible in the latest available figures of dwellings completed which, because of the time-lag, reflect the number of dwellings started when materials were at their scarcest.³ In Hungary it was also decided to increase nearly threefold the sums spent on the maintenance of existing dwellings.

It is a common feature of the latest building programmes that they give a larger place to private building than had earlier been planned. Not only were the administrative formalities governing the issue of building licences simplified considerably in Hungary, eastern Germany, Poland and Rumania, but the funds available for borrowing on mortgage at low rates of interest were considerably increased.⁴ Moreover, in Hungary at least, there is to be no restriction on the size of privately built houses, and they are to constitute assets which can be freely sold or leased to others. All of these provisions may be expected to strengthen the propensity to save of the higher income groups.

Health and Education Services

In the provision and extension of health and education services the achievement of the eastern European Governments has been considerable (Table 31). By giving priority to the expansion of medical schools at the universities, the authorities have been able to bring the ratio of doctors to total population near to the European average even in countries where the standard of medical services was formerly very low. In Czechoslovakia the ratio is by now nearly as high as in the most developed countries of western Europe, and only in Poland is it still quite inadequate, mainly because of the difficulties of making good in a few years the great loss of doctors during the war. The number of hospital beds has been correspondingly expanded. The main beneficiary from these social advances has so far been the industrial worker: in Czechoslovakia and eastern Germany, however, members of co-operative farms, too, are now insured against sickness.⁵

² It is indicative of the changed pace of agricultural development that 3,300 of the dwellings in the new Rumanian programme for 1955 are for workers on State farms and machine and tractor stations: this is not far from half the total number of dwellings built in 1953.

³ See Table LII.

⁴ In Hungary loans are to be granted up to 75 per cent of costs at 2 per cent interest; in eastern Germany up to 80 per cent of costs at 2 to 3½ per cent interest.

⁵ In eastern Germany co-operative farmers receive medical expenses but not subsistence allowances.

¹ The figure is, however, only moderately higher than the 1938 average of 3.6 persons per dwelling.

Table 31

STANDARDS OF HEALTH AND EDUCATION IN EASTERN EUROPE

	Bulgaria		Czechoslovakia			Hungary			Poland			Rumania		
	1939	1952	1937	1948	1953	1938	1948	1953	1938	1948	1953	1938	1948	1953
Number of doctors per 10,000 inhabitants	5	10	8	9	13	12	10	12	3.7	3.5	5.4	..	..	9 ^a
Number of hospital beds per 10,000 inhabitants	17	33	35	58	66	54	52	63	22	28	44	13	28	44
Infant mortality per 100 live births	14.4	10.1	11.7	8.3	4.5	13.1	9.0	6.0 ^b	14.0	11.6 ^c	8.3	18.2	14.3	9.6
Illiteracy in percentage of population above 7 years	44.4	— ^d	4.0 ^{ef}	— ^g	— ^g	9.6	6.0 ^h	— ^g	23.1 ^f	—	— ^g	43 ^e	17 ⁱ	
Wireless subscribers per 1,000 inhabitants	7	17 ^j	72	171	209	42	51	114 ^j	29	40	70	14	17 ^k	47 ^{al}
Number of university students per 10,000 inhabitants	17	42	19	47	37	13	25	52 ^a	14	39	47	14	33 ^k	36 ^a
Nursery schools (<i>thousands</i>)	0.3	5.2	2.7	4.7	6.5	..	..	..	1.7	5.2	7.7	..	..	..
Thousands of pupils	..	..	100	206	227	..	..	143	83	241	398	90	200 ^k	..
Number of books and pamphlets published (<i>millions of copies</i>)	..	18 ^l	..	71 ^m	52	8	23	19	29	123 ^k	87	15	60 ^k	47
Percentage of population covered by sickness insurance	..	..	24 ⁿ	34 ^{no}	38 ^{np}	31	41 ^h	62	20	47	58	..	..	..
Number of people enjoying organized holidays (<i>thousands</i>)	..	114	..	131	297	..	210 ^h	..	..	317	411	..	195 ^h	445

Sources and methods: See Appendix B.

^a 1954.

^b 1952.

^c Western and central Poland only.

^d Insignificant below 50 years.

^e 1930.

^f Over 10 years.

^g Negligible.

^h 1949.

ⁱ 1951.

^j Including subscribers to the relay network; without these the figure would be somewhat above 80 for Hungary in 1953 and only 30 for Rumania in mid-1954.

^k 1950.

^l 1953.

^m Average for the years 1949-52.

ⁿ Without family members.

^o On 30 June 1948—i.e., before the national scheme had come into force.

^p On 1 July 1949. Up to 1952, insurance moved parallel with the numbers of wage earners, but from 1952 onwards members of co-operative farms of type III and IV were also insured. Their number is, however, not known.

University doors have been opened wide to talent (even, it is now thought in Hungary, too wide).¹ Books have been published in large editions and sold at unusually low prices, concerts and theatres subsidized, and sports grounds and facilities greatly extended. Perhaps the most characteristic achievement in the field of education, however, has been the expansion of facilities for technical education: the number of pupils in technical colleges² is now twice as great as before the war in Czechoslovakia and

Rumania, and six times as great in Poland and Bulgaria. In Hungary the number of industrial workers who had undergone a formal technical training-course increased from a mere 11,000 in 1938 to 143,000 in 1952.

During the period of heavy strain on materials in 1951 and 1952 the rate of expansion in investment in schools, hospitals and the like was slowed down but there were no actual cuts in investment.³ The change in investment priorities in 1953 has now brought a general increase in the funds available for these purposes.

¹ In 1954, when the pace of industrial expansion was reduced, it was decided to admit fewer students.

² More precisely, the number of pupils per 10,000 of the population. The figures in 1953 were 100 for Czechoslovakia (as also for Rumania in 1951) and 150 for Poland.

³ During the same period the number of books published was reduced as a result of a shortage of paper.

3. RECENT CHANGES IN INDUSTRY

The year 1954 must be regarded as one of transition. In the first place, it was inevitable, for purely technical reasons, that more should go into the pipe-line of consumer goods production than could immediately come out of it. This was obviously true of agriculture, where some of the investment in building materials, tools and machinery came too late to affect the autumn harvests and could be expected to yield results only gradually. It was also true of those branches of the engineering industries which were faced with the necessity of reconversion. Secondly, the assignment of new tasks to the economy presented new problems not only of a technical but also of an institutional character.

The growth of industry in the preceding years had been concentrated in a relatively small number of big concerns, partly because of the technical demands of the type of output scheduled and partly because of the desire to develop mass production and to eliminate or curtail the role of the small handicraftsman, formerly a familiar figure all over eastern Europe. Some of the new plants had had little experience in producing a highly diversified range of output such as was now being demanded and time was needed before they would be able to adapt their organization to the needs of a more varied market. Moreover, the system of allocation of building materials was geared to a type of construction activity mainly concentrated on large projects.

In working their way towards a solution of these new problems, the eastern European Governments are placing somewhat less emphasis than before on big production units and are decentralizing in some measure the control of industry, trade and building.

Encouragement of Small-scale Industry

Recently efforts have been made to revive production in small-scale industry, largely in handicraft co-operatives or workshops managed by the municipalities but assistance has also been given to private artisans.

In Hungary, the number of workshops registered as "local industry"¹ increased from 48,000 in June 1953 to 83,000 in July 1954, and the number of persons occupied in them is officially estimated to have risen over the same period by about 70,000.

¹ "Local industry" includes handicraft co-operatives and municipal enterprises as well as private artisans' workshops. These industries accounted in 1953 for 20 to 30 per cent of the total output of textiles, leather clothing, furniture and household goods in Hungary.

As a result of this expansion, the output of consumer goods by Hungarian co-operatives was up by one-third in the first eight months of the year, and that by municipally managed enterprises by more than one-half. These rates of increase compare with that of 12 per cent in the output of all manufactured consumer goods which was referred to earlier. The increase in the activity of bespoke tailoring and shoe-making co-operatives was especially great—43 and 67 per cent respectively in the first six months of 1954 over the same period of 1953. In addition to stimulating the growth of the handicraft co-operatives, the Government in the thirteen months after May 1953 licensed 27,000 artisans to engage in private manufacture.

In Rumania, in contradistinction to what had happened elsewhere in eastern Europe, metal-working co-operatives had for several years been expanding their output of consumer goods, and already in 1953 their production was equal to that of metal consumer goods by the State enterprises. This development has now gained in strength and spread to a wider field of output: during the second half of 1953, arrangements were made for the provision of machines to the co-operatives, and as a start 500 machines not in use in Rumanian State factories were handed over to them. The investment funds allotted to local industries in 1954 were four times as great as in 1953. In the first six months of 1954, when employment in large-scale industry was only 2½ per cent above the level reached a year earlier, the production of handicraft co-operatives was larger by 14 per cent, and their importance was such as to demand a rationalization and standardization of their accounting practices. The Bulgarian Government, too, has encouraged an expansion of co-operatives but not of private artisans.

The Polish Government, on the other hand, while giving greater inducements to handicraft co-operatives, has encouraged, by reducing taxes on their profits, the formation of one-man enterprises making goods for agriculture. Increased credits for the training of handicraft apprentices have been provided and social insurance contributions payable by apprentices have been reduced. It is hoped to increase the number of apprentices in Poland to 22,000 by 1955,² while the number of handicraft workshops was planned to reach 116,000 by the end of 1954 and 144,000 by the end of 1955.

In eastern Germany also, the growth of small-scale industry has been remarkable, and "local industries"

² In 1948 there were 55,000.

are already producing a greater share of total output of consumer goods than had been foreseen only a few months ago, as the following figures indicate:

*Supplementary Programme for the Production of
Manufactured Consumer Goods*

(Millions of DM)

	<i>Plan May to December 1954</i>	<i>Actual May to November 1954</i>
State industry	450	304
Local industry	550	578
Total	1,000	882

This generally increased reliance on small enterprises may become less important once the more highly capitalized and efficient concerns have adjusted themselves to the problems inherent in producing a wide variety of goods, often in comparatively small quantities. The view is held by some, however, that the small workshops will have a continuing part to play.¹

Decentralization in the Building Industry

One of the important objectives of policy in eastern European countries has been to increase productivity through the transformation of building into a capital-intensive industry from the labour-intensive handicraft type of organization which has evolved in practically all countries. With this end in view, considerable resources were devoted in the period of the long-term plans to the mechanization of building, and the industry was reorganized into a comparatively small number of very large units which were granted an almost absolute priority in the allocation of building contracts and materials. This process of concentration and rationalization was carried very far.

Thus, in Czechoslovakia, the 8,500 small building enterprises existing in 1948 had by 1953 been replaced by 460 large concerns, and the few remaining small builders accounted for less than one per cent of total construction, maintenance work as well as new building. The 50,000 workers employed by small builders in Poland in 1949 had been reduced to a handful. In Hungary the building industry was completely reorganized in the course of 1949 and 1950 as a large-scale industry employing by 1954 250,000 workers and machinery of a capacity of

100,000 horse-power (as against 150 horse-power in 1948).

As a result of these efforts, the building industries of eastern Europe experienced a revolutionary increase in productivity. The type of mechanization chosen was determined, however, by the kind and scale of construction required in the execution of large industrial projects—for instance, earth-moving and concrete-mixing on a large scale.

With the increased emphasis now given to house-building, repair work and the construction of scattered farm buildings, neither the capital equipment of the new building industry nor its rather centralized administration was well suited to the new tasks, and complaints were widespread that the building programme was lagging behind schedule. Up to the end of July 1954, only 28 per cent of the programme for the year of the State building enterprises had been fulfilled in Czechoslovakia; building plans for the third quarter in Hungary were met only to the extent of 75 per cent; in eastern Germany the record was bad in the first half of the year, but there was a substantial improvement later; in Rumania the farm building programme has been lagging; in some countries shortfalls in the light industries are attributed largely to insufficient building work.

A number of separate factors contributed to make the performance of the building industries disappointing—a high rate of labour turnover in Czechoslovakia, a labour shortage in Hungary, and failure to achieve the planned production of building materials in Rumania.² In addition, however, questions of organization are being reconsidered. There is a fairly general trend towards decentralization of the industry, and building enterprises in several countries are being regrouped into smaller units in order to reduce the top-heaviness of the administration in relation to present conditions and priorities.

New Criteria for Industrial Performance

With the change in emphasis in economic policies in eastern European countries and the spreading of investment funds over a large number of small projects, closer attention is being paid to questions of cost and efficiency. In the first place, now that

¹ See, for instance, an article by Mr. Zoltán Vas, formerly Chairman of the Hungarian State Planning Board, *Szabad Nép*, 27 October 1954: "We have to be very outspoken about small-scale industrial production and assert that this is not only an issue of today's policies but a lasting feature of development. We must not renounce the advantages which small-scale industry can provide to workers in towns and in the countryside."

² In the first ten months of 1954, only 81 per cent of the planned output of bricks and 84 per cent of the planned production of cement and lime was achieved in Rumania, and cement kilns are said to have been working at only 50 per cent of capacity during part of the year. To improve timber supplies and to provide greater flexibility in meeting local building needs, half-a-million hectares of village forests in Rumania have been handed back by the State to the local authorities.

the proportion of investment projects and output plans to which a super-priority is applied has been reduced, it becomes essential to make comparisons of the cost-return ratios of the many competing projects, all, on the face of it, equally desirable, and there is a stronger tendency than before to favour investments bringing quick returns.

Second, since a larger proportion of industrial output now consists of consumer goods and farm requisites destined for a wider group of customers than the State enterprises which are the main buyers of the products of heavy industry, it becomes more important both for the central planning agencies to forecast correctly the composition of demand, and for the enterprise managers to fulfil the assortment and quality plans laid down for them as well as to avoid exceeding planned costs. Whether due to faulty planning or to faulty execution, failure to produce goods in the right proportions, of the right quality and at the right prices will result—and has resulted in 1954, as was mentioned above—in the accumulation of stocks or a drain on Government budgets.¹

Considerable attention is now being given to these problems in all eastern European countries, and the existing systems of records, reports and accounts are being overhauled as part of the general process of preparing the next Five-year Plans. In several countries, (Poland, Czechoslovakia and Rumania), the plan prices at present used are being replaced by prices reflecting more accurately current scales of preference and productivity. In Rumania the amortization rates to be applied in various industries have recently been revised upwards on the ground that the old rates under-estimated—but not to a uniform extent—the true costs of wear and tear. It has also been suggested by some writers in Rumania that the whole system of production statistics should be changed in the interest of more accurate measures of changes in the productivity of labour.²

¹ In eastern Germany, Mr. Ulbricht recently stated that “a great number of enterprises do not produce in a profitable manner. Many of the directors have become accustomed to receiving subsidies from the State . . . Investment costs are too high in most cases, and the forecast investments have often been exceeded, particularly in heavy industry. One might say that investment expenditure is as a rule 20 to 30 per cent too high.” (*Neues Deutschland*, 1 January 1955.)

² It was pointed out that the present methods of control tend to result in inflated, and increasingly inflated, expenditures on raw materials and semi-finished goods, so that an index of labour productivity obtained by relating changes in employment to changes in gross output may give very misleading results (*Probleme Economice*, 1954, Nos. 2, 4, 9 and 11). In some cases, it seems, collusion between the managers of different factories

In the main, this search for improved methods of measuring performance in factories has been motivated by the desire to make statistics and records more useful operationally. But it has also been observed that the current indices of industrial production in the economy as a whole, which are essentially obtained by comparing aggregates of the gross value of production in each enterprise, may give a misleading picture of changes. This thought has been very clearly expressed in Czechoslovak economic literature,³ as also in Hungary, where it is now suggested that estimates of the relative contributions of agriculture and industry to national income based on figures of gross output are of doubtful value.⁴ Meanwhile, the revisions recently made to the indices of agricultural as well as industrial production and national income in Czechoslovakia and Hungary bear witness to the fact that a considerable re-thinking of concepts and methods of measurement is going on.⁵

resulted in the inflation of raw materials expenditures and, consequently, of the value of gross output being carried to extraordinary lengths in Hungary: two enterprises in the same industry would agree to exchange, quite unnecessarily, semi-finished products. The same products would thus appear in the gross outputs of both enterprises, in one in its semi-finished state and in the other with further value added. As a result each manager could pay out more in wages than would otherwise have been possible. See György Tauszk, “The Tasks of Cost Reduction in Industry” *Társadalmi Szemle*, No. 7, 1954.

³ See *Politická ekonomie*, No. 1, 1953: “The fact is that we do not, for instance, have reliable data on the total production of our industry during the past years, and that we shall have to reconstruct, with great labour and a considerable amount of estimation, the development of production and labour productivity in our industry during the first Five-year Plan”.

⁴ See a contribution by Sándor Kopátsy of the Central Planning Board, to a discussion at the Karl Marx Economics University, Budapest, in *Magyar-Szovjet Közgazdasági Szemle*, No. 5, 1954, pages 475-6: “According to the methods of calculation at present applied, agriculture produces about 20 per cent of national income . . . The contribution of agriculture to national income amounts to more than 20 per cent in reality. According to certain calculations agriculture uses 48 per cent of total socially useful working-time”.

⁵ In Czechoslovakia four somewhat different series of industrial production indices were published during 1954, while for agricultural output in 1953 four different results have been published, the one published first in *Rudé Právo* of 19 December 1953 showing an increase of 33 per cent and the latest (published in *Rudé Právo* of 18 November 1954) an increase of 13 per cent over 1948 in each instance.

In Hungary the previous official estimates relating the output of industry and agriculture in 1949 to their respective levels in 1938 have recently been sharply revised downwards (see *Magyar-Szovjet Közgazdasági Szemle*, No. 3, 1954, pages 219-220), the index for agriculture being reduced from 99 to 85 and that for industry from 153 to 137.5. (An attempt made in the *Economic Survey of Europe since the War*, Geneva, 1953, to correct for the overweighting of certain industries and to

4. RECENT CHANGES IN AGRICULTURE

The Broad Lines of Present Agricultural Policy

Agricultural policy in the new phase differs from earlier policy in two respects: first, a greatly increased volume of productive resources—building materials, skilled labour, fertilizers, tools and machinery—is now being allocated to agriculture; second, Governments continue to plan increased farm output in the socialized sector but now also lay more stress on the need to make the fullest use of the possibilities in the private sector.

For several years before 1953 total agricultural investment had been declining. Moreover, by far the greater proportion of this total had been direct State investment in machine and tractor stations and in State farms, which, except in eastern Germany, had hardly benefited the private peasant. With the virtual disappearance of the small craftsman and the allocation of building materials, even in rural areas, mainly to industrial projects, supplies of investment goods to the private peasant had practically dried up. Fertilizers were no less scarce.

The investment goods at the disposal of the socialized sector were, however, themselves insufficient to provide all, or even most, of the quickly created co-operative farms with the equipment and services needed if they were to operate as efficient large-scale units. Allocations of materials for farm buildings in particular were inadequate; the machine and tractor stations lacked both machinery sufficient for the tasks set them and skilled operatives and managers able to ensure that the best use was made of the machines available.

In these circumstances membership in co-operative farms often had little appeal to peasants outside, and the attempt to push collectivization campaigns faster than the appropriate equipment could be provided

had unsettled peasants even in countries where only a small proportion of the land was so far affected by them¹ and had resulted in the abandonment of large areas of land and, in some countries, the unnecessary slaughter of livestock.² Meanwhile, in the less well equipped co-operatives there was a tendency for members to devote a disproportionate amount of their time to the cultivation of their own private plots to the neglect of the co-operatively farmed land.

It was recognized from the very outset of the new phase that the achievement of the desired increases in farm output would demand the allocation not merely of increased productive resources—building materials, skilled manpower, fertilizers, tools and machinery—to agriculture but also of increased supplies of manufactured consumer goods.

Policy in the new phase has thus been designed to channel an increased volume of manufactured goods of all kinds into the countryside, and to provide the farming community with the cash to buy them.³ This involved the risk that an undesirably high proportion of the extra income would be spent on consumer goods which would bring in no returns in the form of increased farm output, but it was a necessary risk in order to provide inducements to extra effort both by members of co-operatives and by private peasants. Whether consumer goods or productive resources were mainly bought it was inevitable that the money income of the farming community as a whole should in the short term rise faster than farm output. In Czechoslovakia, for instance, the plan for 1954 envisaged an increase of 12 per cent in agricultural output and a rise in the money income of those in agriculture of 18 per cent.⁴

¹ This is so even in Poland, where the creation of co-operatives had proceeded relatively slowly. See the official agricultural publication, *Wieś w Liczbach*, Warsaw, 1954, page 172, which lists "erroneous support of the development of co-operative farms at the expense of production on small and medium farms" among the reasons for the failures of agriculture.

² In Bulgaria, the Prime Minister, Mr. Chervenkov, said at the 1954 Party Congress that "the change made in the countryside by the development of the co-operative system temporarily affected one of the most sensitive spots in our national economy" and pointed out that "the decrease in the number of cattle, horses and sheep took place exactly during the period under review (1948-1953) . . . whereas around 1948 [before the collectivization drive gained headway] their number either exceeded the pre-war level . . . or was not far off it".

³ In Rumania, where confidence in the currency had first to be restored, it was preferred to expand the barter trade organized by the consumer co-operatives in the countryside.

⁴ See *Planovane Hospodárství*, No. 2, 1954, page 111.

eliminate duplication in agriculture gave very similar results for 1949 in relation to 1938, the estimates being 89 for agriculture and 135 for industry.) The Prime Minister of Hungary also recently referred to a downward revision of the official estimates of the increase in national income between 1949 and 1953 from 80 to 60 per cent (see *Szabad Nép*, 11 and 20 October 1954).

An article by Sándor Fülöp in *Statisztikai Szemle*, No. 12, 1954, page 981, indicates that similar revisions of indices of industrial output are now being made for the period since 1949 in Hungary. The article points out that the existing index of clothing production overstates the true net increase over the period 1949 to 1952, since it takes full credit for increases in the output of large-scale manufacturing establishments without making an adjustment for the simultaneous, and partly offsetting, decline in handicrafts production.

A combination of methods¹ was necessarily used to increase peasants' real income and to influence their spending of it: tax concessions, reductions in compulsory delivery quotas, premia for early fulfilment of delivery obligations, remissions of arrears of taxes and delivery obligations, increases in the prices paid for contractual deliveries to the State, reductions in the prices of manufactured goods in general and, in particular, of those goods of special interest to peasants. The importance of each of these has varied with the individual circumstances of each country. Thus, in Hungary, where the share of compulsory deliveries in total agricultural output was extremely high, there has been a considerable reduction in delivery obligations :

Compulsory Deliveries in Hungary
Percentage of total agricultural output

	<i>Crops</i>	<i>All produce</i>
1951	..	75
1952	90	86
1953 Plan	66	63
1954 Plan	51	46

In Poland, on the other hand, where the burden of compulsory deliveries was comparatively light, delivery obligations have remained more or less unchanged. In Czechoslovakia prices were raised in 1953, and in 1954 delivery obligations were cut.

Policy towards Co-operative Farms

Members of co-operatives, employees of machine and tractor stations and of State farms and private peasants were all to share in the increases in income. If, however, the private peasant's full co-operation was to be obtained, it was also necessary to assure him that he would enjoy some security of tenure of his land and would not be coerced into joining a co-operative farm. Collectivization campaigns of the old type thus had to be brought to an end before the new positive measures could bear fruit.

This did not mean that discrimination in favour of the co-operatives had to come to an end, nor has it done so in any country: obligatory delivery quotas still bear more heavily in some cases on private peasants than on co-operatives; co-operatives still

have easier access to credit and, though some changes have been made, to the services of machine and tractor stations. It did, however, imply that future extensions of the co-operative sector would have to be made with the assent of the peasants.

Thus, since mid-1953 policy towards co-operatives has been characterized by an attitude of cautious empiricism similar to that shown in handling industrial problems. In the early months of the new phase, several Governments gave permission for the winding-up of co-operatives and also authorized individual members of co-operatives to withdraw their land and animals from the common pool. As will be seen from Table 32, considerable use was made of these privileges in Czechoslovakia and Hungary. In retrospect, this may be regarded as a voluntary elimination of the inefficient units, which was fairly soon brought to a halt.

In recent months there has been a renewed attempt to induce peasants to form co-operatives, but the types recommended have been varied to suit the particular circumstances of different countries and regions. In Rumania the Government has urged the formation of simple tilling co-operatives as well as *ad hoc* co-operatives for the production of a particular crop, such as rice, cotton and sugar-beet, requiring collective effort in the form of irrigation or deep ploughing. The same policy has been followed in central Poland, where there were, until recently, practically no co-operatives of any kind.² On the other hand, in Czechoslovakia (where some of the better-equipped co-operatives had proved very successful) and in eastern Germany there has lately been a growth of the more advanced types,³ largely perhaps in regions where there was much untilled land, and for the first time in eastern Germany efforts have been made to persuade the peasants cultivating medium-sized farms of 5 to 20 hectares, who had previously been excluded from membership, to join co-operatives.⁴

² In Poland collectivization policy has always been tailored more closely to the possibilities of different regions than was the case in other countries. Thus, in the voievodship of Szczecin in western Poland (where the new settlers started with very little individual capital) almost all the co-operatives formed were of the most highly integrated type; in the Kraków region, where there was an established peasantry, there were practically none of this type.

³ "Occasional" co-operatives also have become important in eastern Germany: in 1953 no fewer than 50,000 associations existed, which combined the labour force of 180,000 individual farms for particular operations such as tilling, harvesting, threshing and forest work.

⁴ In Poland, on the other hand, a big majority of the members of co-operatives—three-quarters—are peasants who brought in more than 5 hectares, and it has been the smallholders who stayed outside.

¹ See O. Sándi, "Development Policies for Agriculture in the New Phase of Socialist Construction", *Magyar-Szovjet Közgazdasági Szemle*, No. 1, 1954, page 23: "The provision of material incentives is more involved in agriculture (than in industry), and this often leads to erroneous views. It is a more involved problem because the majority of producers in agriculture are still small farmers producing for a market and even co-operatives produce in order to sell. Therefore, material incentives in agriculture are not provided primarily by wage payments but—among other things—by delivery systems, by possibilities provided for the free sale of produce, by production contracts and the setting of prices."

Table 32
CO-OPERATIVE FARMS IN EASTERN EUROPE ^a

	Number of co-operative farms (thousands)			Area of co-operative farms		Area of co-operative and State farms as percentage of total area
	Advanced-type farms ^b	Other	Total	Thousand hectares	Percentage of total area	
<i>Albania ^c</i>						
1953 December	..	..	0.1	32	7	..
<i>Czechoslovakia ^e</i>						
1952 October	4.9	3.7	8.6	..	..	..
1953 June	7.0	1.2 ^f	8.3 ^f	1 930	40	49
December	6.7	0.7 ^f	7.4 ^f	1 606	33	44
1954 October	..	..	..	..	..	44 ^g
<i>Eastern Germany ^c</i>						
1952 September	0.02	0.7	0.7	..	..	..
December	0.2	1.7	1.9	160	3	..
1953 March	0.8	3.0	3.8	475	7	..
June	1.8	3.3	5.1	798	12	..
December	1.9	2.8	4.7	715	11	..
1954 March	2.4	2.4	4.8	780	12	16 ^d
December	3.0	2.1	5.1	921	14	18
<i>Hungary ^e</i>						
1953 March	..	..	5.3	1 381	26	37
December	..	..	4.7	1 087	20	33
1954 April	..	..	4.5	978	18	31
<i>Poland ^c</i>						
1952 December	..	..	4.5	986	5	17
1953 June	5.5	1.7	7.2	1 450	7	19
December	6.2	1.8	8.0	1 500	7	20
1954 September	..	..	9.5	1 800	9	..
<i>Rumania ^e</i>						
1952 December	1.8	1.8	3.6	..	..	..
1953 June	2.0	2.0	4.0	982	12	..
December	2.0	2.0	4.0	..	..	..
1954 June	2.0	2.3	4.4	1 014	12	20 ^h
December	..	2.7	..	..	..	..

Sources : See Appendix B.

^a Bulgaria is not shown in this table as there have been no changes since 1952. At the end of that year, co-operative farms covered 61 per cent and co-operative and State farms together 63 per cent of the total arable area.

^b Co-operatives in which the land is in common ownership apart from small plots retained for individual cultivation.

^c The figures in the last three columns of the table relate to the total agricultural area.

^d Excluding land previously abandoned and now under the management of communes: this amounted to 14 per cent of the total agricultural area.

^e The figures in the last three columns relate to arable area only.

^f Excluding the simplest type of co-operative, in which only farm machinery is pooled.

^g Advanced-type co-operative farms and State farms only.

^h This probably includes some reserve land still under State management.

In Bulgaria, where collectivization had already been pushed furthest,¹ such reductions in compulsory delivery obligations as have been announced have affected only co-operatives, but there has been no attempt to extend the spread of co-operatives to the poorer lands of the mountain regions. It is, however, planned that the number of cattle and pigs

owned by co-operatives and State farms shall in 1957 be about two and a-half times as great as in 1952, whereas privately owned animals are to decline in numbers: hitherto the socialized sector's share of the country's total animals has been disproportionately small by comparison with its large share of the land.²

¹ In the Dobrudja as much as 80 per cent of the land is farmed by co-operatives.

² This arises from two connected factors. In the first place, as explained above, some peasants slaughtered animals rather than hand them over to co-operatives. Second, a large pro-

Ownership of Land and Animals in Bulgaria

Percentages of total

		Individual peasants	Co-operative farms	State farms
Arable area	1952	37	61	2
Cattle	1952	75	23	2
	1957 Plan	55	..	..
Pigs	1952	82	14	4
	1957 Plan	59	..	..
Sheep and goats	1952	68	29	3
	1957 Plan	53	..	..
Horses	1952	57	..	..

Sources: The Second Five-year Plan and the speech of the President of the State Planning Commission, Mr. Chankov, on it at the Sixth Party Congress.

There is the same diversity of approach to the problem of reclaiming the considerable areas of arable land which for one reason or another had been allowed to drop out of cultivation. In Czechoslovakia, where most of it is in regions sparsely populated since the expulsion of the Sudeten Germans, it has been put at the disposal of the co-operative and State farms. In Poland large parcels of derelict land are allotted to the State farms, small ones are sometimes granted to co-operatives and sometimes leased to individual peasants. The eastern German solution is management by the communes, in co-operation with the machine and tractor stations. In Hungary land which had fallen out of cultivation was in 1953 offered on five-year leases to individual peasants and in 1954 to State farms and co-operatives; in Bulgaria, too, it has been leased to peasants; in Rumania it has been put at the disposal of anyone willing to cultivate it.

Services Performed by Machine and Tractor Stations

	For private farms	For co-operative and State farms
	(In equivalent of millions of hectares of medium ploughing)	
<i>Hungary</i>		
1950	0.78	0.75
1951	0.40	1.55
1952	0.03	2.00
1953	0.20	2.84
1954	0.84	2.60
<i>Eastern Germany</i>		
1953	5.79	2.98
1954	6.18	4.35
<i>Poland</i>		
1950	0.09	0.45
1951	0.33	1.15
1952	0.29	1.28
1953	0.18	1.60

Sources: *Közgazdasági Szemle*, No. 2, 1954, pages 179 and 180; *Statistický Tělekortato*, No. 2, 1954, page 21; *Szabad Nép*, 20 September and 21 October 1954; *Neues Deutschland*, 1 January 1955; *Wiesł w Liczbach*, Warsaw, 1954, page 227; *Trybuna Ludu*, 18 March 1954 and the Polish Plan Fulfilment Report for 1953.

portion of the animals taken into co-operative farms have remained the private property of individual members and so, in theory, have been fed entirely from the produce of their small private plots. The same is true of Poland, where in 1952 more than two-thirds of the cattle, pigs and sheep on co-operative farms were the property of individual members.

Co-operatives have now lost the virtual monopoly over the services of machine and tractor stations which they previously enjoyed (except in eastern Germany) and the privileged access to fertilizers and tools which they shared only with the State farms. Nevertheless, it is likely that, if peasants are encouraged by progressively increased supplies of manufactured goods to take a larger proportion of their total income in cash, the attractiveness of membership of co-operatives, which can bring obvious advantages in living and working conditions, may increase.

First Results and Recent Measures

It is still too early to judge how successful the new incentives will be in stimulating peasants to greater effort. As was mentioned earlier, they were introduced at a particularly favourable time, when thanks to the harvests of 1953, supplies of feeding-stuffs were greater than they had been earlier. Weather conditions in 1954 were, however, in several of the countries of the region, much less favourable than in the previous year. Moreover, though there were big increases in the volume and variety of resources available to peasants, the supply of building materials was still a bottleneck.

The first results, nevertheless, seem to have been very encouraging. Peasants were quick to use their extra cash to buy building materials, tools and fertilizers.¹ Further, the evidence that supplies of desirable manufactured consumer goods, particularly durable goods, were increasing stimulated them to greater efforts. Field works—stubble stripping, manure spreading—were performed more carefully and intensively in the spring and in some countries, notably Hungary, the sown area was expanded as derelict land was taken back into cultivation (see Table LXIII). A further indication of the success of the new policies in the particular case of Hungary is provided by the fact that practically all co-operatives were able to make cash allowances to their members during the course of the year. Finally, individual peasants added to their livestock, in particular pigs, at a rate which surpassed expectations in some countries. Thus, in Hungary individual peasants' purchases of livestock almost doubled during the second half of 1953 and doubled again during the next six months, and in October 1954 the number of sows was greater than in any previous October since the war. The number of cattle on co-operative farms increased.

¹ In Hungary purchases of fertilizers by individual peasants increased from 28,000 tons in 1953 to 75,000 tons in 1954—a figure not quite up to the expectations of the Plan but still representing a substantial improvement.

In Rumania and Bulgaria, too, there were increases in livestock: in Bulgaria, however, this was not mainly a consequence of new policies and the biggest increases occurred on State farms.¹ In Rumania the sown area increased significantly, and the area under maize in 1954 was already at the level planned for 1956. In all countries autumn ploughing was on a bigger scale than in the previous few years, and in Rumania was greater than in any earlier post-war year.

It is thus natural that all the measures of agricultural policy recently announced should have been essentially on the same lines as those of 1953. In Czechoslovakia sowing plans are no longer prescribed for each farm, and the desired pattern of output is fixed regionally rather than centrally, in order that regional differences in fertility may be properly exploited. The farm advisory services are being expanded in all

countries and made available to individual peasants. Similarly, in some countries the machine and tractor stations are being reorganized in the interest of greater flexibility, and the range of commodities for which compulsory deliveries are levied has been reduced. In Rumania the possibilities of substitution of commodities for the honouring of compulsory delivery obligations are now so great that the peasant can, in fact, cover his total crop obligations by deliveries of grain. In all countries the range of commodities for which the State contracts in advance for purchases from peasants has been widened, and the prices offered have often been raised.² The trend in current policy is thus to carry still further the process of decentralizing investment and cropping decisions which was initiated in 1953.³

¹ The indices of the number of animals in the third quarter of 1954 were:

	<i>State farms</i>	<i>All farms</i>
	<i>(Third quarter of 1953=100)</i>	
Cattle	118	106
<i>of which: Cows</i>	116	112
Pigs	229	117
Sheep	128	109
Poultry	127	112

² In Rumania the contract prices for meat and milk are now not far off the retail price to the urban consumer.

³ At the same time the measures taken to increase the income of the peasants have again brought to the fore to problem of the *kulak* in both Czechoslovakia and Hungary. The former Prime Minister of Hungary, Mr. Rákosi, observed on this point: "In the past . . . the policy of restricting the *kulak* often slipped into a policy of liquidating the *kulak*; since last June an opposite extreme can be experienced in many places. There is hardly any fight against the *kulak* and the *kulak* is treated as if he were a medium peasant." (*Szabad Nép*, 25 May 1954.)

Chapter 3

ECONOMIC DEVELOPMENTS IN THE SOVIET UNION

1. INTRODUCTION

The national income of the Soviet Union, according to results announced soon after the turn of the year, rose by 11 per cent in 1954. Industry again made the largest contribution to this increase, the index of gross industrial output rising by 13 per cent or slightly more than in the previous two years. In agriculture, the grain harvest was reported to have been higher than in 1953: the total was not published, but grain deliveries to the State rose by $4\frac{1}{2}$ million tons, an increment equal to about 4 per cent of the 1953 production. While falling short of the large increases planned, livestock numbers, as well as the output of livestock produce, rose during the year. Total housing construction was one-sixth greater, though the plan for a one-third increase in the completion of urban dwellings was not fulfilled.

Most of the economic measures introduced in the course of 1954 were in continuation of those launched in the previous year, and to a large extent represented filling in detail in the major changes already announced in 1953. There was, however, one new decision of outstanding importance: the campaign to plough up large areas of virgin and unused land in Central Asia and Siberia. Although the proposal for the ploughing-up campaign was already under active consideration in 1953, the Government decisions were not announced and the campaign did not start until the early months of 1954, and constituted undoubtedly the most important economic event of the year.

The common feature of the measures was that they were intended to yield a faster increase in the supply of consumer goods. The shift in emphasis could be seen in the investment programme and in agricultural and industrial policies. As background to these changes, it may be estimated that agricultural output as a whole has shown little increase since 1950 and, per head of population, is not much greater than before the war. By contrast, industrial output has been growing steadily: the index of gross value of industrial production in 1954 was 65 per cent above 1950, indicating that the target for industry in the fifth Five-year Plan—a 70 per cent

increase between 1950 and 1955—would be reached ahead of schedule.

Over the last two years a greatly increased share of the increment in industrial production took the form of consumer goods and goods destined for use in agriculture, light industry and house construction. Defence expenditure in 1953 was stabilized at the level of the previous year and then reduced in 1954 by perhaps as much as 10 per cent. The rate of increase in the capacity of the heavy industries was somewhat slowed down. In 1955, however, defence expenditure is to be increased once more by 12 per cent, and renewed emphasis is currently being placed on the importance of accelerating the growth of heavy industry.

The supply of consumer goods of an industrial origin was expanded fairly rapidly during the last two years, mainly through switching industrial resources. The investment programme was revised so as to ensure a more rapid extension of capacity in the light industries, and in the engineering industries higher priority was to be given to durable consumer goods. An additional factor of importance in some industries producing for the consumer was the previous existence of spare capacity which in many branches has permitted rapid increases of output from 1953 to 1954 as the supply of raw materials—diverted from heavy industry, released from stock or imported—became more ample.

Similar quick results were not possible in agriculture and in construction, largely for reasons inherent in the nature of these industries. The expectations of early 1953 were not realized up to the end of 1954, although there were definite signs of an improvement coming. In agriculture, more fully analysed in Section 3, the key to the plans is a larger output of grain through the extension of the cultivated area of the Soviet Union, which in its turn would permit the feeding of a greater number of livestock.

In the field of housing quick improvement is, of course, difficult because annual construction capacity generally represents only a low proportion of the existing housing stock. The resources of the building

industry are being further increased, however, and in 1954 a larger proportion of these resources has been switched to housing and other social capital and to various minor types of construction serving the needs of consumers.

On the financial side the most important measures favouring the consumer were already introduced in 1953, including a reduction in retail prices by an estimated 10 per cent,¹ increases in prices paid by the State to farmers and reductions in taxes paid by them. The further price reductions announced in April 1954 averaged about 4 per cent, the items affected including not only consumer goods but also farm supplies. Moreover, the new price reductions did not extend, as in 1953, to foodstuffs (except bread) sold both by socialized shops and by farmers. As a result of these and other changes, real wages of workers are reported to have risen by 5 per cent (compared with a 10 per cent increase in 1953) while farm incomes showed a further improvement.

The relatively cautious attitude in 1954 may have been influenced by the fact that the harvest had not shown any sizeable improvement over 1952 and that costs in industry and in building were reduced less than anticipated. From the analysis given below in Section 4, it appears that in industry real costs could have fallen only slightly and that money costs must have increased on the average. The rise in money costs must, in fact, have been more general in view of the higher prices paid to farmers and other concessions to them. The benefits given to the consumer came out of the budget, as the price reductions were offset by reductions in the turnover tax, and they were made possible by the higher level of industrial output and the reduced cost of defence.

The new economic measures were accompanied by important modifications in economic administration, which in general has been simplified and made to leave more initiative for local decisions. Some of the changes were later reversed ; for instance, at first the Government formed in March 1953 cut the number of ministries concerned with economic affairs from 40 to 17, but a year later the number was increased to 38 and, by the end of 1954, to 42. The State Planning Committee reported that when the number of economic ministries was large there was some lack of inter-departmental co-ordination and some overlapping in functions, a symptom of which was, for

instance, cross-hauling of freight if more than one ministry was interested in the same commodity. On the other hand, a larger number of economic departments is said "to bring the administrative apparatus more in touch with production and make the management of production more concrete and more effective".²

Along with these changes there has been a simplification in the machinery for planning.³ The duties of the State Planning Committee were made less extensive in 1954 and it was directed to concentrate its efforts on the most important aspects of the national economy, to concern itself with overall planning and with major structural problems rather than with the setting of detailed targets.⁴ Responsibilities of Ministers and heads of Departments have been correspondingly extended and in agriculture detailed central planning, which failed to pay adequate regard to local variations in climate and soil conditions, has been abolished.⁵

Population and Manpower

The long-term problems of the Soviet Union may be better appreciated against the background of a continued rapid increase in population which makes industrialization and urbanization indispensable. By the end of 1954 the population of the Soviet Union reached an estimated 216 millions and has been rising at the rate of more than three millions per annum. Although the annual increment of population was of the same magnitude in 1927, before the beginning of the Five-year Plans, the demographic factors under-

² *Pravda*, 13 August 1954.

³ Partly as the result of the simplification in planning and partly to cut out previously existing waste, the amount of statistical reporting from enterprises and farms to planning organs has been drastically reduced. *Pravda*, 20 November 1954, wrote that "much harm is done by excessive registration and accounting" and "many statistics received by Ministries and Departments are not necessary for economic management and planning". All agricultural reporting is now confined to the farm, the village council and the province, and intermediate stages are abolished. The number of forms completed by collective farms has been reduced from 46 to 16. The number of statistics reported by enterprises to the State Planning Commission has been cut by 50 per cent and those reported for departmental use or for book-keeping by 40 per cent. The previously excessive administration is illustrated by the 118 questionnaires, containing 40,000 questions, addressed in 1953 by the Ministry of the Timber Industry to each enterprise under its control.

⁴ Speech by Mr. Malenkov to the Supreme Soviet (*Izvestia*, 27 April 1954).

⁵ Hitherto, the State Planning Committee set plans for each collective farm and, from 1948 onwards, even for groups of workers within the farm. From now on, central planning is concerned only with the province, and the working out of detailed plans for individual farms is to take place at the local level. Intermediate planning authorities between the provinces and the farm have been abolished.

¹ The price reductions do not imply that goods are always available at the lower price. As the Minister of Domestic Trade stated (*Pravda*, 25 October 1953) : "We are reducing the prices of goods of which there is still a shortage in our country, where these goods are important to the mass consumer". A similar view was expressed by Mr. Khrushchev in an interview given to Professor Bernal in December 1954.

Table 33

POPULATION MOVEMENTS IN THE SOVIET UNION

	Population end of year (millions)	Births per 1,000	Deaths per 1,000	Infant mortality per 1,000 births	Urban population (millions)	Rural population (millions)	Urban population (percentage of total)
1926 . .	147	44.0 ^a	22.8 ^a	190 ^{a b}	26	121	18
1938 . .	170	38.3	17.8	..	56	115	33
1940 . .	199	..	17.5	145	62	137	31
1953 . .	213	24	8.9	48	81	132	38

Sources : See Appendix B.

NOTE. — The 1926-1938 territory is smaller than that for later years.

^a 1927.

^b Registration areas only.

lying this increase have changed considerably since that time. Both the birth rate and the death rate, as shown in Table 33, have fallen to a very great extent but there is still a substantial difference between the two rates, indicating a natural increase in the population of 1.5 per cent per annum.

The infant mortality rate is now one-third of its 1940 level, and it can be computed that this sharp drop has compensated about one-third of the reduction in the birth rate and has accounted for over one-half of the reduction in the death rate, over this period. Most of the remaining changes in the death rate were probably due to declines in age-specific mortality rates as the composition of the population in broad age-groups has not changed.¹ These changes imply a considerable increase in the mean expectation of life at birth, perhaps to a figure exceeding 60 years. The expectation of life calculated by the League of Nations² for 1938-1940 was 48 years.

The urban population of the Soviet Union increased between 1926 and 1953 from 18 to 38 per cent of total population—that is, from 26 to 81 millions at the end of 1953.³ Over approximately the same period—from 1928 to 1954—the number of workers in the “national economy” increased from 10.8 to 47 millions. It would appear that in the last decade or so the increase in urban population has slightly exceeded the increase in total population ; in other words, the increase in urban population was equivalent to the natural increase in population in the towns plus

a migration from rural areas exceeding the natural increase in population in those areas.

The falls in the birth and death rates are to a large extent symptoms of this urbanization. More light could be thrown on this question if demographic data were available for different areas of the Soviet Union, but the past experience of the country would suggest that, in future, the birth rate is likely to fall faster than the death rate, though for a number of years to come the excess of births over deaths is likely to be substantial. These movements in population, especially the increase in urban population which is proceeding at the rate of about 4 per cent per annum, inevitably put heavy demands on supplies of food and housing, which are always more difficult to expand quickly than the production of manufactured goods.

Over the last five years, the intake of manpower into the “national economy”—that is, in the main, into non-agricultural occupations⁴—has averaged 1.7 million, though the year-to-year figure varied greatly, as shown in Table 34. In relation to population growth, however, even this high intake of manpower into the national economy does not indicate a diminution in numbers engaged in agriculture.

The increase in manpower was, by the end of 1954, already greater than that contemplated when the current Five-year Plan was drawn up, though the occupational distribution differed somewhat from that planned as a result of the very considerable rise in numbers employed by the machine and tractor stations and State farms. The more rapid intake of manpower into the national economy, including industry, than that envisaged in the Plan is compensating for the shortfall in the plan to increase labour productivity. Although labour productivity in industry increased by 7 per cent during 1954, corresponding to

¹ It is estimated, partly from the electoral registers and partly from a talk broadcast by Moscow Radio on 14 September 1954, that at the end of 1953 the proportion of population under 18 was 43 per cent, between 18 and 59 it was 51 per cent, and 6 per cent was aged 60 or over. This distribution is almost identical to that at the end of 1938. More detailed demographic break-down is not available.

² F. Lorimer, *The Population of the Soviet Union*, League of Nations, Geneva, 1946.

³ The increase in territory from pre-war to post-war tended to diminish somewhat the proportion of urban population.

⁴ The “national economy” also includes State farms but not collective farms.

Table 34
THE INTAKE OF MANPOWER
INTO THE NATIONAL ECONOMY
OF THE SOVIET UNION

Year	Increase in labour force <i>Millions</i>	Number trained at trade schools <i>Thousands</i>	Number trained on the job <i>Millions</i>
1948	2.0	1,000	6.1
1949	1.8	723	6.6
1950	2.0	494	7.0
1951	1.6	365	7.0
1952	0.9	326	7.8
1953	1.75 ^a	320	7.5
1954 Plan	..	..	8.0
1954	2.0 ^b	360	7.7

Sources: 1946-1954 from the Plan Reports; 1954 Plan from *Izvestia*, 22 April 1954.

^a Excluding transfers to State payroll of 1,350,000 workers on Machine and Tractor Stations.

^b Including increase in MTS workers.

the average of 1952-1953, this rate was below the target set.

As a result of measures aiming at diminished central administration, a certain re-deployment of manpower has already taken place. Technicians have been transferred from office jobs to workshops and to farms in general, and from industry and transport to agriculture, including 83,000 transferred to machine-tractor stations. During 1954 there was also a movement of qualified workers to the east to lead the ploughing-up campaign.

Shortcomings in the quality of labour may be linked with complaints about the lower output of the trade schools and the fall in standards of instruction.¹ There has been a tendency in recent years, as shown in Table 34, to train school leavers on the job rather than in special schools. The renewed emphasis on the expansion of technical training, which is already extensively developed, is indicated by the creation in April 1954 of a Chief Administration of Labour Reserves, directly under the Council of Ministers, to take charge of trade schools.

¹ *Pravda*, 5 April 1954.

2. ALLOCATION OF RESOURCES

Total resources available have increased with the further rise in industrial output and, along with this, resources available for civilian purposes were increased still more through the cut in defence expenditure called for in the 1954 budget and the concurrent reduction in investment for defence purposes implied in the information available on the development of capital formation. In these conditions it was possible to allocate more to consumption while continuing to increase investments at the now customary rapid rate; and within the investment programme increased emphasis was laid on agriculture, consumer goods industries and social capital without, however, neglecting the continued development of basic industries.

The Budget and Defence Expenditure

The budget of 1954 reflected, in general, the further expansion of the economy and, in particular, the price reductions achieved through the lowering of the turnover tax and the fall in defence outlays (see Table 35).

The most important single fact in the allocation of national resources was the fall in defence expenditure by about 10 per cent below the level of 1952 and 1953.² This appeared to mark a significant fall in the

real resources devoted to defence, which was further indicated by a certain degree of demobilization announced in 1953. The reduction in defence outlays, though since reversed in the new 1955 budget, allowed more to be allocated to other uses out of an expanding total volume of production.

Total receipts from the turnover tax were falling slowly in the last three years, as the annual price reductions were mainly the result of reductions in that tax. The budget envisaged a further slight decline in receipts from the turnover tax in 1954.

Not only were the further concessions given to the consumer through price reductions in 1954 on a more limited scale than in 1953, but the budget also indicated a sharp increase in profits, greater (by 37 per cent) than any likely increase in national output.³ Somewhat lower receipts from loans were envisaged, but the loan actually floated in July was larger than that budgeted for in April.

² For 1953 only budget and not actual defence expenditure is available, but the general results of the budget suggest that actual defence expenditure was very close to the planned figure.

³ One possible explanation of the increase in total profits is that profit margins on consumer goods, the supply of which is expanding, are relatively high. The proportion of total profits which passed through the budget was 78.3 per cent in 1953 and the proportion planned for 1954 was 75.2 per cent. This would indicate greater investment by the high profit industries.

Table 35

THE PUBLIC ACCOUNTS OF THE SOVIET UNION

Billions of roubles

	1951 Actual	1952 Actual	1953 Budget	1953 Actual	1954 Budget
<i>Revenue</i>					
Turnover tax	247.8	246.9	240.6	243.6	234.4
Deductions from profits	48.0	58.5	80.7	70.3	92.8
State loans	32.6	36.3	16.7	17.3	15.9
Increase in Savings Bank deposits	4.0	4.5	10.0	12.0	9.5
Agricultural tax	42.9	9.6	5.5	5.5	4.2
Other direct taxes		37.8	40.6	40.6	41.5
Social Insurance premia	21.4	21.9	23.2 ^a	23.2	24.7
Other revenue	73.6	82.2	127.0	127.2	149.5
Total	470.3	497.7	544.3	539.7	572.5
<i>Expenditure</i>					
National economy	179.4	178.8	192.5	180.4	216.4
of which : Heavy industry	79.9 ^b	80.6 ^b	82.6 ^b	..	79.7
Light industry	11.2 ^b	13.3 ^b	..	..	14.2
Trade			..	..	..
Agricultural procurement	37.2	33.5	39.9 (52.0 ^c)	.. (52.3 ^c)	62.5
Agriculture and forestry			..	..	..
Transport and communications	11.9 ^b	14.3 ^b	..	..	21.5
Local economy	5.0 ^b	4.8 ^b	..	..	..
Other	31.5 ^b	32.7 ^b	..	..	38.5
Social and cultural measures	119.4	122.8	129.8	128.8	141.4
of which : Education	57.3	58.5	62.1	61.1	67.2
Health and physical culture	21.7	22.3	24.8	24.2	29.3
Social Security	35.9	21.4	42.9	23.2	24.7
Social Insurance		14.2		..	..
Family allowances	4.1	6.4	..	16.9	17.8
Defence	93.9	108.6	110.2	..	100.3
Loan service	4.9	6.8	9.8	9.8	10.5
Administration	14.1	43.2	14.3	..	94.2
Other	31.3		73.9	..	
Total	443.0	460.2	530.5	514.8	562.8
of which : Investment	98.0 ^b	98.1 ^b	106.7	106.7 ^b	121.1
<i>Surplus</i>	<i>27.3</i>	<i>37.5</i>	<i>13.7</i>	<i>24.9</i>	<i>9.7</i>

Sources : See Appendix B.

^a Actual.

^b Plan.

^c Including extra-budgetary State funds.

Among expenditure items, other than defence, an expansion is indicated in social expenditure, in investment expenditure and in other expenditure under the heading "national economy". The latter, as well as the large items "other" expenditure and "other" revenue, are difficult to interpret because it is not known how far the receipts and expenditures of State enterprises are passed through the budget and how much the practice may change from one year to another.¹ Unless there has been a change in administrative practice, the rise in expenditure on the national

economy other than that for investment would suggest an increase in subsidies.

Investment

Total State investment² increased by 15 per cent, in real terms, in 1954. Despite the magnitude of this increase, it is stated to have been less than planned. This would account for part of the difference between the actual increase in investment in real terms and the planned increase of 25 per cent in money terms shown

¹ It is known, for instance, that the gross receipts and expenditures of machine-tractor stations are shown in the State Budget, and that, with effect from 1 October 1953, all Ministry of Agriculture repair shops were similarly financed (*Finansy i Kredit S.S.S.R.*, No. 10, 1953).

² The term "State investment" includes that financed both by the State budget (planned at 65 per cent in 1954) and by the State enterprises themselves. On the other hand, the term does not include investments by collective farms and by private builders.

in Table 36.¹ The greater part of this difference must clearly, however, be attributed to a planned rise in the money costs of investment.

The available information on the volume of investment contained in Table 36 shows that during 1953 the increase in the rate of total investment slowed down, but that by the first half of 1954 the previous rate of increase was again reached. Exceptionally, therefore, 1953 appears as a year in which the share of capital formation in national output fell, but even in that year the readjustment of the economy was accompanied by an increase rather than a reduction in the actual volume of capital formation. That the investment plan was under-fulfilled by about 5 per cent may have been due to the slowing down of work on a number of long-term projects in the heavy industry sector before there was time to start new projects more directly beneficial to the consumer.

¹ The realized totals of State investment in money terms have not been published for either 1953 (although it can be fairly reliably estimated for that year as only one relatively small component is missing) or 1954. With regard to the results in real terms, details by sectors are not available beyond the first half of 1954.

In the overall investment plan for 1954 the share of heavy industry was reduced below 50 per cent, while in the previous year it was above that proportion. The actual movement in the volume of investment in heavy industry in 1954 has not been announced but can be readily computed, for the first half of the year in terms of 1953 weights, by deducting from total investments the sum of all components other than heavy industry (supplemented by rough estimates for the missing items). These results lead to the conclusion that, while investment in heavy industry was increasing faster than the total volume of investment of all kinds in 1951 and 1952, there was no further increase in the already high volume² for heavy industry in the next year and a half.

This apparent recent stability in the total volume of investment in heavy industry is, however, not matched by the movement in investment in those of its branches for which individual results have been announced. On the contrary, there was in 1953 and

² The fact that the calculations show about the same volume for 1953 and the first half of 1954 is consistent with an increase in money expenditure on investment in heavy industry in the light of the conclusion above that investment costs have risen.

Table 36

STATE INVESTMENT IN THE SOVIET UNION

Index numbers — corresponding period of preceding year = 100 ;
Value — billions of roubles at current prices

	Index numbers of volume					Value	
	1951	1952	1953		1954	1953	1954
			Jan.-June	July-Dec.	Jan.-Dec.	Jan.-June	Plan
Electric power	140	126	105	..	<i>a</i>	118	10.7
Metals	120	111	108	..	<i>a</i>	<i>b</i>	..
Coal and oil	112	105	102	..	<i>a</i>	<i>c</i>	<i>d</i>
Engineering	110	112	108	..	<i>a</i>	116	..
Building materials	135	109	108	..	<i>a</i>	110	..
Timber and paper	..	..	109	..	<i>a</i>	125	..
Heavy industry ^e	(114-118)	(113-123)	(96-97)	(94-95)	(95-96)	(98)	80
Light and food industry	..	109	108	110	108	148	7.6
Agriculture	106	..	..	..	..	153	11.7
Transport	103	..	<i>f</i>	..	..	108	17.7
Trade	..	..	122 <i>g</i>	148	135	230	2
Housing	120	110	107	115 <i>g</i>	111	120	19.4
Other social capital	..	..	..	..	122	130 ^h	9-11*
Total	112	111	104	104 <i>g</i>	104	114	147-149 ⁱ
							184.9

Sources: See Appendix B.

a Greater than 100.

b Ferrous metals - 103.

c Coal - 123.

d Coal - 14 billion roubles.

e Secretariat estimates, including unspecified branches (for method, see text on this page).

f Railways - 113.

g Derived from other half and whole year.

h Whole year.

i Plan 156.1 billion roubles.

the first half of 1954 an increase in the volume of investment in all those branches of heavy industry which are separately shown in Table 36, and, indeed, in some instances in 1954 the increases have been impressive. The explanation of this divergence between the estimated total and the announced components seems to be that investment in those branches of heavy industry which are not separately distinguished in Table 36 had been heavily cut back. Such are the industries under the control of the Ministries of Defence Industry and of the Aviation Industry, which are not administratively part of the engineering industries.¹ On the assumption that investment in the defence industries must be included in the total, but not in the figures for particular branches of heavy industry explicitly given, it may be concluded that investment in industries directly producing for defence was very much reduced in 1953 and 1954. It is evident that even a stabilization in defence expenditure of a current nature would permit a fall in defence investment, which had previously served the purposes of extending capacity for the production of armaments.

Thus, the available data indicate that a readjustment in the allocation of resources took place in 1953 and 1954 parallel with an increase in the volume of total investment, and the readjustment of the investment programme towards higher outlays in sectors producing consumer goods seems to have been offset by reductions in investments in the defence sector. Fundamentally, however, the policy of rapid industrialization of the Soviet Union continues, with primary emphasis on the swift expansion of the production of basic materials and engineering products, and has not been appreciably modified by the allocation of more resources towards the expansion of capacity in consumer goods.

Housing and Social Capital

The figures in Table 36 above indicate that, cumulatively from 1950 to 1953, the volume of house construction increased by 45 per cent,² though, in physical terms, the amount of clear living-space completed in urban areas remained stable at about 27 or 28 million square metres per year over this period. The new plan called for the completion of 38 million square metres in 1954; a provisional report released

early in November implied 34 million square metres as the likely result for the year, and a further report in January 1955 stated that the amount actually completed was over 32 million square metres.

In themselves, these magnitudes are significant when related to current Soviet housing standards. The average town dweller (man, woman or child) has, it may be estimated, between 5 and 6 square metres of clear living-space on the average, and in the allocation of new housing in Moscow 6 square metres per person is considered as the official standard. Altogether, 214 million square metres were newly constructed or rebuilt from 1946 to 1954, sufficient to accommodate 36 million people at the rate of 6 square metres per person. It may be estimated that this has been about sufficient to make good war damage and obsolescence and to house the additional urban population at existing standards, but that little was left over to increase the amount of space per head.³ Given that the urban population is increasing by about 3½ millions per annum, and that obsolescence needs to be covered, rates of construction at least as high as those originally envisaged for 1954 would be required to bring about any significant, though gradual, increase in living space per person. The steps now being taken to bring about the needed increase in building materials are discussed below.

Rural house construction is left in the main to local initiative and, after making good war damage, the rate of construction had settled down in recent years to a steady 400,000 houses annually until 1954 when 470,000 houses were completed. It may be estimated that this is well above the replacement level, taking into consideration that many rural dwellings are made of wood. Although the rural population is slowly falling, this does not necessarily imply any reduction in the number of families nor, therefore, in housing needs. Indeed, from now on provision has to be made for the housing requirements of families moving to the newly opened lands in central Asia.

From 1951 to 1954, on the average, private construction in the towns was 7.5 million square metres,⁴ out of which 3.2 million square metres were built with the aid of State loans. State loans up to 10,000 roubles are available at 2 per cent interest, repayable in seven years, and the 1954 budget increased the provision for such loans to 1 billion roubles; in

¹ Chemicals would be another such industry had it not been stated that the volume of investments in 1953 had increased over 1952 (*Izvestia*, 31 January 1954).

² The increase in 1954 was 19 per cent, compared with 14 per cent annually during 1951-1953.

³ Housing construction, if not yet sufficient to yield a quantitative improvement, has, of course, brought some improvement in average quality, since the new dwellings are superior to the older ones.

⁴ Private building is included in the totals of completions quoted above.

previous years such credits were not fully taken up, presumably because physical resources could not always be found to match them. State loans are again granted to housing co-operatives for which support was withdrawn in 1937. At the end of the summer of 1954 the number of State-aided houses under construction showed a sharp increase.

During 1954 more shops were opened and more schools and other communal buildings erected than in the previous few years. The building of hospitals in 1954 brought the total capacity, as measured by the number of beds, to the Five-year-Plan goal of a 20 per cent increase over 1950. In the construction of social capital, special emphasis is now given to rural areas which have hitherto been relatively neglected, and authority has been given for increases in capital construction for the purposes of local repair and other services.¹

With the expanded housing programme it becomes even more important to keep down costs, which remain high in spite of the provisions of the Five-year Plan. The majority of building enterprises were working at a loss in 1953² and the planned cost reduction of 3 per cent in 1954 was apparently not attained despite the fact that labour productivity in building was reported to have risen 8 per cent, approximately the planned rate. Further efforts are now being made to rationalize the building industry, and in particular to extend the use of standardized design, based on modular co-ordination. Plans to reduce costs are also based on the use of new materials, especially pre-cast concrete.³

The available data suggest that current costs of construction are 1,400 to 1,800 roubles per square metre, as against which rents in terms of the same unit of measurement have been fixed by legislation in 1926 and 1928 (still in effect) at 1.32 roubles per month; with surcharges up to 25 per cent for modern houses the maximum is 1.65 roubles per month. On the assumption that houses last 100 years, the monthly amortization quota would come to about 1.30 roubles and running costs to 2.10 roubles⁴ giving a total of 3.40, not counting anything for the cost of the site or for interest charges (although the State charges 2 per cent for housing loans).

¹ *Pravda*, 28 October 1954.

² *Pravda*, 8 September 1953.

³ See page 82 below.

⁴ Broner, *Ocherki ekonomiki zhilishchnogo khozyaistva g. Moskvy*, Moscow 1946, page 44, puts costs of administration, repairs, insurance and taxes at 83 kopeks per square metre per month in 1936, which corresponds to some 2.10 roubles in current prices allowing for increases in productivity.

Under the legislation of 1928 the maximum rent was payable only when the main earner in the family received a wage of 435 roubles per month, a limit which by now practically all wage-earners in the Soviet Union have surpassed. The present gap between actual and economic rents, the latter being at least double the former, is the historical result of a long-period rise in prices and wages and, if the housing programme is speeded up, is bound to call for an increasing amount of subsidies from the State if it desires to maintain rent at its present low share of earnings (5 to 6 per cent on the average in 1953).

Transport

The share of transport in investment has fallen since the post-war reconstruction period, but it still accounts for 10 per cent (of which 6 per cent for the railways) in planned State investments for 1954. This is a considerable amount and it permits both extension and modernization, mainly of the railways.

A part of the previous difficulties with the production of consumer goods was attributed to the general strain on the transport network, which necessitated a system of priorities favouring the heavy industries. Now priorities have been re-allocated and, at the same time, more attention is being paid to the development of the transport system so as to reduce the overall strain.

A reorganization of the railways, which still carry about three-quarters of the freight traffic, was initiated in May 1954. Though complaints were made in November that the changes were not proceeding fast enough,⁵ some further measures were being taken to rationalize the distribution of traffic between rail, road and water.⁶

Apart from developing the railway network in the territories which are opened up for agriculture,⁷ long-distance communications in the east-west direction are being improved, especially towards China. At the moment the only connection is by the Trans-Siberian Railway which, although now double-tracked, is inadequate for needs. The pre-war project of the Baikal-Amur-Magistral (BAM) railway for a parallel line to the north of the Trans-Siberian has now, it would seem, been revived: the opening of a branch from Taishet to Ust-Kut and Osetrova on the Lena River (i.e., the alignment of the BAM) was announced

⁵ *Pravda*, 12 November 1954.

⁶ Channelling short-distance freight onto the roads, heavy slow goods to the waterways and both long-distance and sub-urban passenger traffic into buses. These transfers are facilitated by the current increases in petrol and DERV fuel supplies and by the opening of the Volga-Don Ship Canal.

⁷ See page 76 below.

in November 1954. The Sino-Soviet Treaty of 11 October 1954 provided for the construction by the two Governments of two other lines to link Chinese railheads with Ulan Bator in Mongolia (already linked since the end of 1949 with the Trans-Siberian) and with Alma Ata on the Turk-Sib Railway. Work on the former is to start in 1955, and has already begun on the latter. The opening to regular traffic of the links between Kulunda and Barnaul (343 km.) and Akmolinsk-Pavlodar (438 km.) completed the South Siberian Railway paralleling the Trans-Siberian between Novosibirsk and Ufa.

The electrification of railways is also being developed, mainly in the Urals-Volga region and in the

Caucasus, and is to be based on supplies shortly becoming available from the Kuibyshev and Stalingrad hydro-electric plants. By mid-1954 about 8 per cent of the total length of the railways had been electrified, which more than doubled the 1950 figure, but an increase of another 4 per cent would be required to reach the target set for 1955. With the substitution of hydro-electricity, and with the greater energetic efficiency of electric locomotives in general, the programme of electrification should achieve a significant saving of coal.¹

¹ Around 1950 the railways consumed 30 per cent of the country's hard coal output (*Voprosy Ekonomiki*, No. 8, 1951, page 43).

3. AGRICULTURE

The measures taken in the winter of 1953 and the new decrees passed in the course of 1954 gave greater recognition to the importance of agriculture as a supplier of both foodstuffs and industrial raw materials. Without a substantial increase in agricultural output, it would not be possible to achieve a balanced increase in consumption, especially in view of the rapid growth in the population of the Soviet Union. The major effort is now directed towards extending the cultivated area, mainly by opening up new land in central Asia and Siberia. The additional supplies of feeding-stuffs which it is intended to obtain in this way, together with greatly improved financial incentives, are designed to bring about an improvement in the output of livestock produce, which has hitherto been one of the most lagging sectors of the Soviet economy. At the same time there is continued emphasis on textile and other industrial crops.

The measures introduced in 1953 and 1954 do not aim at outputs in excess of those envisaged in the Five-year Plan (1951–1955). Although that Plan, as also previous Five-year Plans, recognized the role of agriculture in a balanced economic development, the results have fallen short of the goals, and the new set of measures may be conceived as directed towards a more effective execution. The measures announced in the autumn of 1953 aimed at giving greater incentives for labour-intensive products, such as livestock produce and vegetables, whereas the measures announced in 1954 were applicable to extensively and intensively cultivated crops, including grain, cotton and oil-seeds. Further plans, published in February 1955, foresee doubled supplies of livestock produce and a grain crop of 164 million tons in 1960.

The more strictly financial measures, some of which were already included in the budget of August 1953, increased prices paid to farmers and reduced the prices and taxes paid by them; rationalized the structure of prices and increased incentives for individual effort, particularly in the cultivation of small family plots, such as are owned by most collective farmers; and made investment in agriculture easier.

The revision of the price structure has now been completed: major rises took place in the prices of livestock products, potatoes and vegetables in 1953 and in flax in 1954 (following an already substantial increase in 1952), and finally the prices of grain and oilseeds were adjusted. Farmers also benefit by reduced obligatory deliveries of grain and oilseeds at the lower official price, and by the ending of the practice of varying quotas with the efficiency of the farm. In general, the marketing of surplus produce (after obligatory deliveries) has been made easier.²

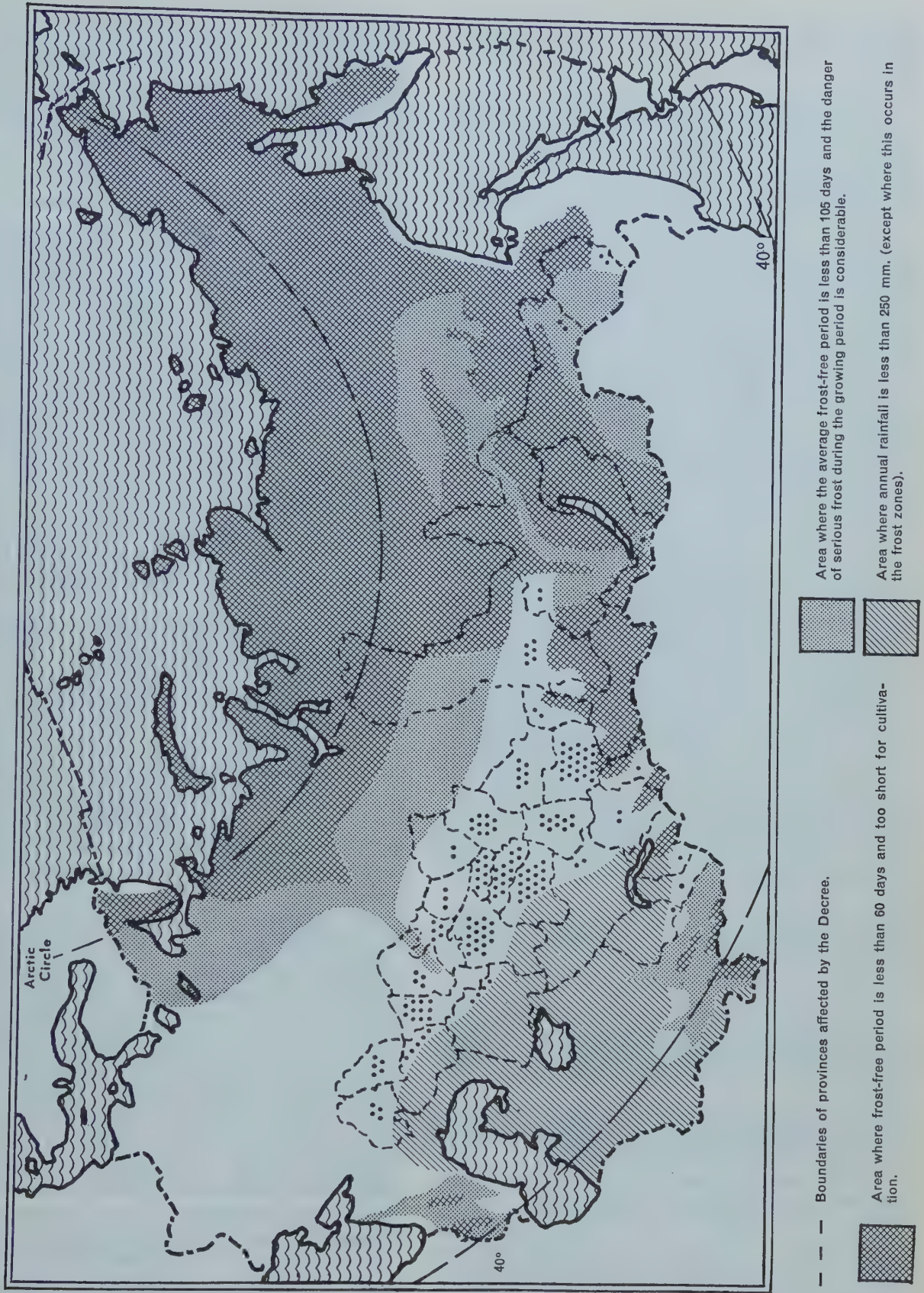
On the cost side, the agricultural tax had already been reduced in 1953 and the price cuts of April 1954 extended to farm tools, building materials, fodder, petrol and lubricants. The machine-tractor station charges have not only been reduced in general, but rearranged so as not to damage incentives. Hitherto the charge tended to vary progressively with the yield; that is, it had the nature of a tax on profit. From now on it will vary only with the qualities of soil and climate, but not with that element in yield which is

² For instance, surplus bread grain could hitherto be disposed of only if the quotas for other grains had also been met. Further, permission to dispose of surplus produce was frequently only given when the area as a whole had met its obligation. There are now additional encouragements to direct sales of potatoes and vegetables to socialized shops.

Map 1

PLOUGHING-UP CAMPAIGN IN THE SOVIET UNION

Each dot represents 100,000 hectares ploughed up by 7 November 1954 under the Decree of 28 March 1954



due to the efficiency of the farm. In other words, these charges now have the nature of a tax on economic rent.¹

Greater individual incentives are also given by the reapplication of the "team" (*zveno*) system. The system was evolved during the war whereby teams of about half-a-dozen workers were paid collectively, as against a "brigade" of 30 to 50 sharing the produce. This system was severely condemned in 1950² on the grounds that the teams regarded the parcels cultivated by them as their private property. It is now considered,³ however, that the return to the brigade system had led to a lack of responsibility and to a lower standard of husbandry, especially in the growing of maize, root and industrial crops, and the Ministry of Agriculture has now been called upon to encourage again the organization of teams within each production brigade.⁴ The incentives given for the cultivation of individual plots were rounded-off by releasing them entirely from the compulsory delivery of grain and by writing off arrears.

Measures are now being taken to enable farmers to buy investment goods out of farm profits and budgetary credits granted for the purpose—both of which increased during the past two years. During 1950 to 1952 budgetary credits granted to collective farms could not be fully taken up because farm equipment and building materials were not always available.⁵ The new credit facilities are particularly favourable for the building of stables and the installation of electricity, where up to 75 per cent of the cash outlay can be financed by credit.⁶ The production of investment goods, mainly building materials, on the farm is also made easier. On several occasions in the past, collective farms were encouraged to establish their own workshops, quarries, saw-mills or brickyards

but in recent years there developed a tendency to stop the setting up of subsidiary enterprises, since it was thought that this would detract from the agricultural effort. This tendency has now been reversed and both collective and State farms are called upon to organize the production of local building materials.

The Ploughing-up Campaign

The ploughing-up campaign, which was launched at the beginning of 1954, is directed towards a rapid increase in grain production, both for home consumption and exports. The proposals for an extension of the sown area were announced, after several months' study, at the meeting of the Central Committee of the Communist Party in February and March, which called for the ploughing-up and sowing for crops in 1954 and 1955 of 13 million hectares of virgin and unused land. A joint decision of the Government and the Party on 17 August raised this target to 15 million hectares, with an additional 13 to 15 million hectares to be ploughed up for the 1956 harvest. The total of 28 to 30 million hectares would represent an addition of one-sixth to the present sown area of the Soviet Union.

The decrees specified the "oblasts" (provinces) in which the campaign was to take place. The location of these oblasts is shown on Map 1. Most of the oblasts are on the Kazakh and Siberian Steppes, either in the Kazakh S.S.R. or in parts of the Russian S.F.S.R. adjoining it. Virgin land is defined as land which has not been cultivated for at least 25 years, and unused land as land which has not been cultivated for at least two years; in fact the bulk of the land now brought under the plough has either never been cultivated or has been out of regular use for at least seven years.

The campaign has started with considerable momentum. In the first half of 1954 about 150,000 State employees with experience in different branches of agriculture, including M.T.S. personnel, moved into the area. The total influx of workers, including collective farmers and working members of their families, was around 200,000. In the latter half of 1954 many demobilized servicemen took up employment on the new State farms created in Kazakhstan and Siberia, often continuing to work together in their former regimental groups. Throughout the campaign the emphasis has been on young volunteers and by the end of the year the Secretary of the Young Communist League was able to report that 500,000 young people had volunteered, of whom 100,000 had already gone east. In 1954 about 40,000 tractors, with a total horsepower of 1.7 million, and 18,000 grain combines

¹ There is, however, a surcharge on the excess of the barn yield over planned target, but it is only one-tenth of the excess.

² *Pravda*, 19 February 1950.

³ *Pravda*, 27 June 1954.

⁴ An apparently less significant modification, but in the same direction, is the practice begun in 1954 of paying the collective farmer a quarterly or even a monthly sum instead of having him wait until the books for the year are closed. This again should make the connection between effort and reward closer.

⁵ Of the 7,905-million-rouble credits granted in 1946 to 1951, 1,500 millions were not taken up. Similarly in 1951 to 1952, 1,315 million roubles were not utilized.

⁶ In 1952 only 67 per cent of the plan for building stables was fulfilled, and only 43 per cent of the plan for the electrification of farms. The plans were still not fulfilled in 1953.

Sources of Map 1: Area ploughed from *Izvestia*, 10 November 1954; provincial boundaries from *Politiko-Administrativnaya Karta S.S.S.R.*, Moscow, 1951; rainfall from *Bolshoy Sovetsky Atlas Mira*, Moscow, 1937, Vol. I, Map 112; frost-free periods from G. S. Ventskevich, *Selskokhozyaistvennaya meteorologia*, Moscow, 1952, Map 20, zones 1 and 2, and 3, 6, 9 and 13, respectively.

were brought in, partly from the Ukraine and southern Russia, where the harvest is over sooner than in the newly ploughed regions. Lorries were transferred from enterprises in Moscow and other centres and moved east, and by mid-1954 tents were supplied for nearly 100,000 people.

Land was surveyed in the scheduled zones in 1954 and 40 million hectares were found suitable for cultivation, including 15 million hectares in Kazakhstan. The August decision to plough up 30 million hectares by 1956 is based on these surveys. Initially, almost exclusively grain, mostly wheat, will be grown and it is expected that yields will be adequate for a few years with little use of fertilizers. Later, rotation crops, such as sunflowers, short-fibre flax, maize and melons, will follow.¹ In the first stage of the campaign reliance has been placed mainly on cultivating land within existing farm boundaries which hitherto have only been sporadically cultivated because of lack of resources of manpower and machinery. In the first two years State farms will be responsible for about one-third of the newly-ploughed land, but in the third year, as more land not yet within farm boundaries is brought into use, the share of newly created State farms is expected to be heavy.²

On the first 3.6 million hectares newly ploughed up, 4.5 million tons of grain (gross) were produced in 1954. By the end of 1954, a total of 17.6 million hectares were ploughed, the campaign going considerably ahead of schedule.

The location of these 17 million hectares is indicated on Map 1, where each dot represents 100,000 hectares. The map suggests the climatic reasons which led to the choice of these particular areas for the ploughing-up campaign, given the fact that the European part of the Soviet Union no longer contains new land. To the south of the region where the ploughing-up campaign is now taking place the climate is too dry, and to the north too cold, for the growing of grain on a large scale. To the south, the map indicates areas where annual rainfall is less than 25 cm., which is considered the minimum for the successful cultivation of grain. To the north and northeast, large tracts of the Asian part of the Soviet Union have less than 60 frost-free days, which is insufficient for the cultivation of grain and most other crops. There is also an intermediate zone with a frost-free period relatively short or unstable; here the frost-free period may be about 100 days or less, and there is a danger

of late spring frosts and early autumn frosts killing or damaging crops. In fact, in most of the zone in which the ploughing-up campaign now takes place the frost-free period is about 120 days, and frosts may cause damage to crops which are less hardy than grain in about every second year, and may even damage many kinds of grain. The climatic conditions of this zone are on the whole inferior to those of the central Volga region, which resemble those of Continental Europe.³

By the completion of the campaign it is hoped to obtain, as a minimum, an additional 30 million tons of grain per annum, on a gross basis.⁴ This expectation presumably supposes that the whole area which is being ploughed up will be under grain, though in later years some of it should be under rotation crops. This planned increase in the grain harvest may be compared with the increase of 56 million tons (gross) envisaged, under quite different conditions, in the current Five-year Plan. Then the estimate was based on an increase in the area under grain by less than 5 million hectares (that is, 4.5 per cent) and an increase in yields by almost 40 per cent.⁵

Compared with 1950, the area under grain increased by 10 per cent but the total harvest by considerably less than this. Average yields per hectare have not again reached the 1950 level which, as a base for the current Five-year Plan, can now be seen as a year of exceptionally favourable weather: conditions were unfavourable in 1951 in the Volga Basin, western Siberia and Kazakhstan, the weather was "unfavourable in a number of districts" in 1953, and there was severe drought in 1954 in the Ukraine, the north Caucasus and the Volga Basin, some areas of the Ukraine even being without rain for more than 16 months.

It may be concluded that the attempt to increase yields per hectare very rapidly has for the moment taken second place to a massive extension of the sown area. Apart from the 3.6 million hectares newly ploughed-up in the scheduled zones, other areas under grain reached 110 million hectares in 1954,

³ For a more detailed description of climatic conditions, particularly in relation to agriculture, see the textbook by G. Z. Ventskevich, *Selskokhozyaistvennaya meteorologia*, Moscow, 1952.

⁴ The measurement of the harvest in terms of biological yield is especially over-stated in relation to the newly ploughed-up territories. Considering that cultivation is extensive and that storage and transport facilities will have to be developed, harvest losses are likely to be important.

⁵ The Plan was actually published in August 1952 and since in that year, as in the preceding, grain yields did not increase at all, the observation was made that "there is no precedent in the Soviet Union (or in any other country) to suggest that yields in the remaining three years of the Plan can be increased at an annual rate of 12 per cent". Cf. *Economic Survey of Europe since the War*, page 46.

¹ The choice of rotation plans is being studied by various agricultural planning agencies, cf. *Planovoe Khozyaistvo*, No. 4, 1954.

² In Kazakhstan State farms will account for one-half of the total area ploughed-up under the present campaign.

which is more than the 107 million hectares envisaged in the Five-year Plan. In 1954, parallel with the ploughing-up campaign the sown area was extended in other zones of the Soviet Union, which must almost all be west of the Volga, by 5.3 million hectares, about half of which is devoted to grain.

The total sown area of the Soviet Union has been increasing ever since the statistics were first compiled, mainly as the result of the settlement and development of territory in Asia; and since 1913 it has increased by about one-half. Not counting the two wars and the reconstruction periods, the total sown area has been increasing at an annual rate of about 2 per cent. The new campaign, while in a sense representing a continuation of this trend, is proceeding at a speed about three times as fast. The most striking developments are taking place in Kazakhstan, the sown area of which has already grown from 4.2 million hectares in 1913 and 6.1 million hectares in 1938, to 9.2 million hectares in 1953. In the course of 1954 successively higher and higher targets were announced, the latest being 18.6 million hectares for 1955 and 28.5 million hectares for 1956.

The campaign to increase the sown area has the obvious advantage over efforts to increase yields that its results are likely to be more directly connected with the input of manpower and equipment. For this reason it is more likely to achieve its aims, especially as more than one-half of the target area has already been ploughed up. The problem, however, is not only one of growing of the grain but also the creation of facilities for storage and transport, and the housing of farm labour. The caterpillar tractors taken from the European regions are not to be replaced immediately and the 1955 output is to be sent mainly to the new areas. The European regions are to receive bigger supplies of spare parts, lack of which has hitherto reduced the efficiency of the tractor park, and also more row-crops tractors for intensive crops. To support the extension of agriculture it has been decided to build narrow-gauge railway lines of 2,100 km., of which 850 km. should be ready by the harvest of 1955. By the same time additional storage capacity is to be constructed for about 11 million tons of grain. In Kazakhstan alone it is envisaged that 50,000 houses of two rooms and kitchen will be built in 1955 and 100,000 in 1956.

The movement of manpower into the new areas mentioned above is clearly the beginning only.¹ The 124 State farms created in 1954² aim at having 13

to 17 hectares per employee, although much higher figures are quoted for some collective farms in Kazakhstan, and the whole scheme may employ ultimately as many as 2 million people. As the region is sparsely populated almost all of them will have to come from the west. Even so, the density of agricultural population of the new areas per hectare sown would be only about one-fifth of that in the European parts of the Soviet Union, and migration to the east is unlikely to make substantial inroads into the rural population of the west. The higher national output of grain, however, will permit the carrying of larger livestock herds and a diversification of crops in the more densely populated agricultural regions.

Textile crops

Plans were launched during 1954 to quicken the increase in the production of cotton, which, despite the rise since 1950, is still far from the original 1955 target and a serious brake on the expansion of textile products both in the U.S.S.R. and in eastern European countries. The Fifth Five-year Plan had envisaged an increase in the cotton area from 1.8 to some 2.2 or 2.3 million hectares, but in the third year of the Plan, 1953, the area was still only 1.9 million. During the first half of 1954 the principal cotton-growing republics (Uzbekistan, Turkmenia and Tadzhikistan, which together account for three-quarters of the Soviet cotton crop) published new plans for the 1954-1958 period. These included intermediate targets for 1955 which appeared to be the same as those originally set for area and yields in the Five-year Plan. Further changes were announced in the second half of the year: a revised programme for Uzbekistan, the largest of the cotton republics, advanced to 1955 the goal for 1958 which had been set in February, but the target for yields in Azerbaidzhan set for 1955 was deferred until 1960.

The net effect of the new measures started during 1954 was to reaffirm the original 1955 target for total production, with considerably increased emphasis on a larger expansion of the sown area. The increase in area scheduled for 1955 alone is about as great as that which had been envisaged for the whole period of the Five-year Plan:

	<i>Sown to cotton</i> (Millions of hectares)	<i>Gross cotton crop</i> (Millions of tons)
1950	1.8	3.8
1953	1.9	4.1*
1954	2.1	4.4*
1955 (Five-year Plan) . .	2.2-2.3	5.8-6.2
1955 (Revised plans) . .	2.5*	6.1*

Sources : Table 37; *Izvestia*, 12 October 1952 and 21 January 1955; *Pravda*, 26 November 1954.

¹ Cf. Mr. Khrushchev's call for volunteers in his speech, 7 January 1955.

² In 1955-1956 280 to 300 State farms are to be set up in these areas.

Table 37

PLANS FOR EXPANSION OF COTTON OUTPUT IN THE SOVIET UNION

Crop in thousands of tons; yield in quintals per hectare; area in thousands of hectares

	Uzbekistan	Turkmenia	Tadzhikistan	Azerbaidzhan	Other areas	TOTAL
1953 Crop . .	2 400	310*	360*	300	700*	4 070*
Yield . .	24	18*	26*	21*	16*	21.4*
Area . .	1 000	170*	140*	140*	450*	1 900
1955 Crop . .	3 840	405	431	441	1 010*	6 130*
Yield . .	26.5	22.5	28.7	22	20*	24.7*
Area . .	1 450	180	150	200	500*	2 480*
1958 Crop . .	4 640	621	584	588 ^a	..	..
Yield . .	29	27	30.7	25 ^a	..	..
Area . .	1 600	230	190	235 ^a	..	..

Sources : See Appendix B.

^a 1960.

The plans for cotton are linked with a number of irrigation projects in Central Asia. The largest of these is the Kara-Kum canal, which is to irrigate 1.1 million hectares in the south of the Turkmen desert. This scheme, work on which was in progress in 1954, apparently replaced the scheme for the Main Turkmen Canal launched in 1950.¹

A decree of 12 May 1954 is directed towards an improvement in the production of flax and hemp. The area under flax—2.1 million hectares before the war, and 2.0 millions in 1950—was, according to the Plan, to increase to 2.4 million hectares by 1955; in fact, by 1953 the area fell to 1.2 million hectares. It is now proposed to raise this figure to 1.5 million hectares by 1955, which is one-third below the original target, and 2.0 million hectares by 1957. Nothing is known about recent changes in average yields which under the Five-year Plan were to increase by 20 per cent to a level nearly 90 per cent higher than before the war. The expectation in 1954 was, however, that deliveries to the State during the year would amount to 161,000 tons of fibre as against 275,000 tons in 1937. The movement in deliveries to the State is thus practically proportionate to the change in the area under flax, which suggests that there has in fact been no change in yields over the period.

Flax is, of course, a crop which has almost disappeared in western Europe, since it is labour-

intensive and therefore cannot compete with cotton and artificial fibres. The growing of flax was unprofitable in the Soviet Union also,² but now improved financial conditions are being offered to farmers. Plans have been laid to build 65 factories by 1956 to make processing less costly and more efficient in terms of fibres obtained. The proximity of factories to farms may also result in a higher proportion of output being delivered to the State.³

Livestock

In the year ending 1 October 1954 livestock numbers have increased, as seen in Table 38 : cattle by 3 per cent, including an exceptionally sharp increase of 6 per cent in the number of cows,⁴ pigs by 7 per cent and sheep by 2 per cent. Direct comparison with previous years is difficult because the date of the main annual census has been changed from January to October;⁵ but the 1,500,000 increase in the number of cows in the year ending October 1954 more than offset the 550,000 decline during the calendar year 1952. In spite of the increases, however, the plans set in September 1953 have not been achieved, except for pigs, the reported number of which in October of

² Speech by Mr. Kosygin, a Vice-Chairman of the Council of Ministers, *Pravda*, 13 October 1952.

³ Similar plans are being made for hemp, including the building of 39 processing factories. No quantitative information is, however, available on present or planned crops.

⁴ The long-term nature of the livestock problem is indicated by the fact that, after the increase during the past year, the number of cows was still a little short of the levels reached in 1916 and in 1941.

⁵ This change was made because previously farmers had retarded winter slaughtering until after 1 January.

¹ The Main Turkmen Canal was to have irrigated 1.3 million hectares in the north of the Turkmen desert, but, as reported in last year's SURVEY, work on the project seems to have been stopped, at least for the time being. The fact that, at the same time, construction of the new canal has been started indicates that the suspension of work on the Main Turkmen Canal was due to technical rather than general financial considerations.

Table 38
LIVESTOCK NUMBERS IN THE SOVIET UNION

Million head

	1.I.1951	1.I.1952	1.X.1952	1.I.1953	1.X.1953	1.X.1954 <i>Actual Plan</i>	
<i>All owners</i>							
Cattle	57.2	58.8	..	56.6	63.0	64.9	65.9
— cows	24.2	24.8	..	24.3	26.0	27.5	29.2
Pigs	24.1	26.7	..	28.5	47.6 ^a	51.0 ^a	34.5 ^a
Sheep	99.0	107.5	..	109.9	114.9	117.5	127.4
Goats					20.9	..	17.0
Horses	13.7	14.6	..	15.3	16.2	..	..
<i>Private owners</i>							
Cattle	26.6	24.4	22.9	23.2	24.3	..	25.7
— cows	16.3	15.5	15.8	14.5	16.4	..	16.0
Pigs	10.6	8.8	8.0	9.9	14.1	..	8.5
Sheep and goats	25.8	27.7	21.7	22.7	24.4	..	26.9
Horses	..	..	..	..	..	..	..

Sources : Table 21, SURVEY for 1953; except for : All owners 1.X. 1953, from *Izvestia*, 31 January 1954, and 1.X. 1954, from *Izvestia*, 21 January 1955, and Private ownership 1.X.1952 and 1.X.1953, from *Pravda*, 21 March 1954.

^a The comparability of these figures is uncertain.

that year already exceeded the target for October 1954 by one-third.¹ In January 1954 the Government announced higher targets for livestock for October 1954,² but it is not clear whether the statement refers to the original Five-year Plan or to the target set in September 1953; if the latter, then the shortfall from the new Plan must have been even larger.

The changes in the number of individually-owned livestock, which are particularly important in the case of cows, are more striking and reflect a corresponding change in official views. Up to 1953 the number of animals so owned was deliberately reduced in favour of collectively-owned stock, but this trend has since been reversed; changes in numbers in either direction may partly reflect transfers of the ownership of animals.

In 1954 deliveries of meat to the State were 7 per cent, and those of milk 6 per cent, higher than in the preceding year. Part of this increase may reflect the diversion of supplies from the free to the State markets as the result of much higher official procurement prices. These increases were, however, far from sufficient to meet the Plan for 1954 which, as can be seen from Table 39, required increases of some 20 per cent. Larger imports of livestock produce had little effect on domestic consumption as they were more or

less offset by higher exports of the same commodities.³

Changes in livestock numbers during the past few years are likely to reflect changes in available feeding supplies just as much as changes in Government attitude except that the recent increase in the number of pigs may be attributed to measures more favourable to livestock breeding. The failure to fulfil the 1954 Plan for other animals is the natural result of the unfavourable harvest and of the fact that the supply of fodder and shelter for animals can be increased only slowly. Statistics relating to 1950 and 1952 show that in each of these three years the amount of fodder stored on collective farms for winter use per head of animal was one-quarter less than the 1940 quantity, as the number of animals in collective ownership increased by about one-third but the total fodder stored remained about the same.⁴ During the same period the share of grain and oilcake in total winter fodder declined from 25 to 17 per cent.

In earlier years hopes were raised by plans to put increased areas under various fodder grasses, and although these areas have more than doubled since the war, the targets of the fourth (post-war) Five-year Plan were not reached. It would now seem that these plans ran into difficulties in so far as the climatic and soil conditions of a number of areas were found to be unsuitable for grass crops and yields per hectare

¹ The explanation of this result may be that the target figure excluded young pigs.

² *Izvestia*, 31 January 1954.

³ See Chapter 5.

⁴ *Sotsialisticheskoe Selskoe Khozyaistvo*, No. 3, 1954, page 69.

Table 39

OUTPUT AND DELIVERIES TO THE STATE OF AGRICULTURAL PRODUCE IN THE SOVIET UNION

Thousands of tons

		1940	1950	1953	1954 Plan	Increase in 1954 over 1953
Meat:	Deliveries	2 000	3 000	3 390 ^a	4 100	233 ^a
	Output	..	..	..	..	..
Milk:	Deliveries	6 000	10 000	11 940	14 300	669 ^a
	Output	34 000*	27 000*	..	38 000*	..
Eggs: ^b	Deliveries	..	2 590 ^a	4 100	4 290	..
	Output	..	..	..	..	..
Wool:	Deliveries	120	182	230	230	..
	Output	..	..	..	..	..
Grain:	Deliveries	31 800 ^c	..	..	..	4 400 ^d
	Gross output	118 800	125 230	128 000*	..	..
Wheat:	Deliveries	..	..	..	..	1 490 ^a
	Gross output	40 625	46 779	..	..	..
Cotton:	Deliveries	2 200	..	..	..	331
	Gross output	2 700	3 750	4 070*	..	..
Sugar beet:	Deliveries	17 000	..	27 900	..	..
	Gross output	21 000	23 500	32 600	..	..
Potatoes:	Deliveries	7 852	..	7 600	..	1 230
	Gross output	72 000	87 000	..	..	..
Vegetables:	Deliveries	2 949	..	2 303	..	445
	Gross output	..	..	..	..	..

Sources : See Appendix B.

^a Deliveries made by 1 November compared with deliveries made by same date in 1953.

^b Millions.

^c 1937.

^d Deliveries made by 5 December compared with deliveries by same date in 1953.

were low. It may now be assumed that this policy has been abandoned, except that there is continued emphasis on silage, and that it is replaced by the policy to extend the area under grain.¹

¹ Cf. speech by Mr. Khrushchev, *Pravda*, 21 March 1954.

The Plan for 1954 also provided for new shelters for 4 million cattle, 16 million sheep, and 2½ million pigs. Although the accommodation of cattle and sheep must have improved, the data indicate that the building plan could not keep pace with the breeding of pigs.

4. INDUSTRY

The considerable expansion of industrial output by 12 per cent in 1953 and 13 per cent in 1954 reflected increases in the output of both heavy and light industry. Details of the increases by individual products are shown in Table LIV. In 1953 and 1954 the reductions in industrial costs were somewhat smaller than planned and also smaller than in the preceding five years. Nevertheless, since the Plan was over-fulfilled in the earlier years, it is likely that

the target of the Five-year Plan—a 25 per cent reduction between 1950 and 1955—will be achieved.

Reduction of Industrial Costs

Per cent decrease on preceding year

1948	8.6	1953 Plan	6.1
1949	7.3	1953 Actual . . .	5
1950	6.0	1954 Plan	4.4
1951	5*	1954 Actual "about 4"	
1952	8		

Sources : See Appendix B.

A reduction of building costs of 3 per cent was planned for 1954, smaller than the reductions envisaged for industry, but as noted above was apparently not attained.

The estimates of industrial and building costs are in terms of the amount of real resources used. As wages have been rising slowly, and as there has been envisaged for 1954 a substantial increase in profits,¹ it may be concluded that on the average money costs in industry and building have risen, even if real costs, at least in industry, have shown a decline.²

In many industries—especially in basic industries—a number of enterprises are making losses. In 1953 costs in the majority of coal mines were higher than in the Plan,³ and between mid-1953 and mid-1954 increased slightly.⁴ The costs of timber were planned to fall by 3 per cent in 1953, but in fact they rose.⁵ The costs of drilling for oil are also above the plan⁶ and this is in part attributable to an increase in investments required per unit of output in the Baku oilfields, which may well reflect the gradual exhaustion of those fields. Industrial subsidies are still fairly widespread, whereas in the course of the price reforms of 1949 it had been expected to abolish them by 1950. The campaign, launched in November 1949, to eliminate rush work at the end of each period and to even out work during the year has been intensified. In engineering it is also

hoped to reduce costs by withdrawing the previous encouragement to work at high speeds. It is emphasized that high-speed work leads to excessive wear and tear of machinery, a higher consumption of fuel and power, and a higher proportion of rejected output.

Fuel and Power

The already large investments in the fuel and power industries were further substantially raised in 1954 and have resulted in rapidly increasing outputs and laid the basis for further expansion in the future. The generation of electric power rose by 11 per cent over 1953⁷ (see Table 40) and has reached a level three times that of 1940. The output of coal reached the planned figure, an increase of 8 per cent over the previous year.

The output of oil increased by 12 per cent in 1954 but a further increase of 20 per cent would be required to reach the 1955 target of the Five-year Plan. As the 1954 Plan was reported as fulfilled, and as it would be unusual for the Five-year Plan target to have been scaled down, reliance would appear to have been placed on new drilling during 1954, which would provide rapid expansion of output in 1955. Investments in oil have not increased in the course of the Five-year Plan as much as investments in other branches of the fuel and power industries. In the first half of 1954 investment in the oil industries was 42 per cent of the Plan for the year as a whole; the blame is attributed partly to the oil industry itself and partly to suppliers of equipment.⁸

¹ See page 67.

² Another indication of the rise in costs has been already mentioned in connection with investments on page 69.

³ *Finansy i Kredit S.S.S.R.*, No. 11, 1953, page 44.

⁴ In the first half of 1953 costs were reported at 10 per cent below 1950 (*Pravda*, 30 August 1953) and in the first half of 1954 at 9 per cent below 1950 (*ibid.*, 29 August 1954).

⁵ *Vestnik Statistiki*, No. 3, 1954, page 51.

⁶ The country-wide cost of oil-drilling was 6.8 and 10.3 per cent above estimate in 1953 and the first half of 1954 respectively (*Pravda*, 25 September 1954).

⁷ The 1954 Plan (63 per cent over 1950, *Pravda*, 27 April 1954) was reached on 28 December (*ibid.*, 30 December 1954).

⁸ *Pravda*, 25 September 1954.

Table 40

OUTPUT OF SELECTED BASIC COMMODITIES IN THE SOVIET UNION

Commodity	Unit	1940	1950	1953	1954	1955 Target ^a
Electricity	Billion kWh	48	90	133	147	163
Coal and lignite	Millions of tons	166	260	320	346	372
Crude oil		31	38	52	58	70
Crude steel		18	27	38	41	44
Cement		6	10	16	19	23
Timber	Millions of m ³	119	162	180	200	253

Source: Table LIV.

^a Five-year Plan.

Table 41

STATUS OF WORK ON HYDRO-ELECTRIC CONSTRUCTION SITES IN THE SOVIET UNION

Name of site	Capacity Thousand kW	Annual output Million kWh	Status in 1954
Angara (Irkutsk)	525	3 710	Earthwork
Angren (Uzbekistan)	..	..	Preparatory work
Arzni (Armenia)	47	323	Under construction
Atarbekanskaya (Armenia)	56	291	Survey
Belorechensk (Northern Caucasus)	..	..	Commissioned
Bukhtarma (Irtys)	525	2 620	Dam under construction
Cheboksari (Volga)	..	4 500	Planning work
Dubossary (Dnestr)	..	..	To operate early 1955
Gorky (Volga)	..	1 500	Installation work
Ingulets (Ukraine)	..	..	Work started
Kakhovka (Dnepr)	250	1 200	Turbines installed
Kapchigai (Ili)	300	1 242	Survey
Kuibyshev (Volga)	2 000	10 000	Installation work
Mingechaur (Georgia)	300	..	Commissioned
Molotov (Kama)	316	1 300	First generator set installed
Norosibirsk (Ob)	..	..	Earthwork
Stalingrad (Volga)	1 700	10 000	Concreting
Ufa (Bashkiria)	..	..	Work started
Varzob III (Tadzhikistan)	13	..	Commissioned
Votkinsk (Kama)	96	406	Preparatory work

Sources : Soviet daily and technical Press.

The continued expansion of the supply of electric energy is particularly impressive. During 1954 over 700 power stations were under construction or were being expanded, and the completion of these projects should add 77 per cent to existing capacity. Although a number of thermal stations are being built, the plans for expansion rely largely on hydro-electricity: ¹ large-scale work was begun on five major sites and surveying started on three others during 1954, as listed in Table 41. It is planned to complete in the course of 1955 the major plants at Molotov, Gorki, Kuibyshev, Stalingrad and Kakhovka, which together will have an annual output of 24 billion kWh.

Coal output is now running at nearly 350 millions tons a year. Much emphasis is placed on open-cast mining, the output from which is now running at about double the 1950 and eight times the prewar level.² Costs of production are around one-half that of deep-mined coal.

The experimental generation of electricity from atomic energy has also started and a plant of 5,000 kW capacity was put into operation in 1954. Work is in

progress on generating stations with a capacity of 50 to 100 thousand kW.³

Metals and Engineering

The 8 per cent increase planned for steel during 1954 was attained. There were complaints during the year that the construction of new iron and steel plants was behind schedule. In the middle of the year it was stated ⁴ that output was lagging slightly behind the plan but by the end of the year the shortfall had been made up and the goals for steel, rolled products and steel tubes were all attained. New blast-furnaces were opened in July in Georgia, and capacity has been expanded in Estonia so that it is now sufficient for steel consumption in that republic. Existing capacity has been improved by the complete automatization of furnace-charging in the Ukraine, and the reported country-wide use of capacity as measured by the output of steel per square metre of open-hearth furnace was equal to the most efficient practice anywhere else in the world.⁵

¹ The hydro-electric stations now under construction will have a capacity treble that of all hydro stations at the beginning of 1954 (*Pravda*, 2 January 1955).

² *Pravda*, 29 August 1954, and Tass despatch, 27 September 1954.

³ A report on these stations is to be presented, according to *Izvestia*, 15 January 1955, to the International Conference on Peaceful Uses of Atomic Energy (August 1955).

⁴ *Pravda*, 10 August 1954.

⁵ 6.78 tons in 1954. Individual plants showed over 8 tons.

Building Materials

In the production of building materials emphasis is laid on the higher requirements of the construction industry and on new materials which may bring down building costs. It is planned to extend greatly the use of cement and to produce 31 million tons by 1957. To reach the 1955 target of the Five-year Plan, however, a much greater increase in output would be required in 1955 than has taken place in 1954 (see Table 40).

Timber is the basic material with which the Soviet Union has experienced the greatest difficulties in recent years. According to data which have become recently available, output had actually fallen in 1952-1953, but by 1954 it had regained its previous peak. A very considerable further increase would be required to reach the 1955 target of the Five-year Plan.

Increased mechanization in recent years was accompanied by rising overheads in timber production¹ and productivity has been below the plan. Improvement is now being sought from the employment of permanent instead of seasonal labour.²

At a conference on the building industry in December 1954,³ where cost reductions and the introduction of new materials were discussed, there was much emphasis on plans for the rapid expansion of pre-cast concrete (which can be either reinforced or prestressed). This material is to replace timber for railway sleepers and to be used extensively in house-building. Plans were also announced for the construction of 600 new building materials enterprises in 1955 and 1956.

A decree of 20 August 1954 orders the construction of plants to produce pre-cast concrete with a capacity of 2.8 million m³ by 1955 and 4.9 million m³ by 1956, in addition to the nearly 2 million m³ which are already available. The 9.8 million m³ which it is planned to produce in 1957 should be adequate, apart from industrial and farm constructions, for 14.5 million square metres of urban dwellings, almost half the total at the present rate of construction. For the time being the manufacture of pre-cast concrete blocks is to be subsidized; the price list of October 1954 is based on the costs of the most efficient producers, on the express assumption that average costs in the industry will eventually be brought down to the same level.⁴

¹ *Mekhanizatsia Trudoëmkikh i Tyazhëlykh Rabot*, No. 9, 1953.

² *Izvestia*, 11 September 1954, reported that at the time 85 per cent of felling and hauling was done by permanent workers.

³ *Stroitel'naya Gazeta*, 1 to 8 December 1954.

⁴ Similar transitional subsidies are also provided for certain durable consumer goods such as television sets and washing-machines, production of which is planned to increase rapidly.

Consumer Goods

While the output of agriculture is increasing only slowly, rapid increases have been made in the output of certain industrial consumer goods, partly as the result of reallocation of capacity within existing engineering plants and partly through the extension of capacity and the re-equipment of factories, especially in the textile industries to which relatively little attention has been paid.

Many durable consumer goods—to the expansion of which is attributable much of the already achieved increase in total consumption—are regularly produced in the Soviet Union as secondary products of engineering plants making capital goods.⁵ Until recently, strong preference was given, within individual factories, to the production of capital rather than consumer goods; the departments producing the former were better equipped, had better technicians and a higher level of organization, while those producing consumer goods were often neglected and costs were consequently high.⁶ This state of affairs was the consequence partly of an inadequate supply of materials (and priority has usually been given within any factory to capital goods at the expense of the consumer goods) and partly of the structure of plan prices which made it easier to fulfil the total plan for the factory by producing more capital goods but less consumer goods, the latter being in general relatively labour-intensive.⁷ In 1953 and 1954 emphasis was placed on the direction of more and better equipment to workshops producing metal consumer goods, and factory managers are recommended to give higher priorities to consumer goods.

In industries producing predominantly consumption goods—such as the textile, clothing, footwear and food-processing industries—considerable additions to capacity have already been made, although the investment plan for 1953 was not carried out completely. A number of large plants were already under construction, as envisaged in the fifth Five-year Plan; during the period of the Plan, cotton textile capacity, for instance, was to be extended by 32 per cent, and large mills were being built at Kamyshin, Engels, Barnaul, Krasnodar, Kherson and Stalinabad. The measures introduced in 1953, and carried on in 1954,⁸

⁵ Special profit-sharing schemes have long existed in such plants to encourage the production of consumer goods from salvaged materials.

⁶ Cf. *Planovoe Khozyaistvo*, No. 4, 1954, page 54.

⁷ Moreover, an unsuitable assortment of consumer goods was frequently produced; for instance, examples are given of the production in certain factories of an excessive number of large saucepans and teapots at the expense of small sizes.

⁸ As shown in Table 36, planned investment in these branches in 1954 was double that made in 1953.

Table 42

SELECTED OUTPUTS OF THE TEXTILES AND FOOD INDUSTRIES OF THE SOVIET UNION

	Unit	1953 Plan	1953 Actual	1954 Plan	1954 Actual	1955 Original Plan	1955 Revised Plan
Cotton cloth	Millions of metres	5 300	5 220	5 549	5 550	6 182	6 267
Wool cloth		210	207	242	242	239	271
Silk and rayon cloth . .		400	400	504	516	400	573
Meat	Millions of tons	1 855	1 991	2 180	2 170	2 433	2 550
Cheese and butter . . .		482	440	573	456	662	695

Sources : Table XL, SURVEY for 1953 and Table LIV.

were directed partly at the more rigorous fulfilment of the Plan in the field of consumption goods and partly at further expansions in capacity, not so much by creating new large plants but rather by modernization and extension of existing plants.¹

The situation is different in the clothing industry, where the importance of modernization and new construction is about equal. It is planned to make up in factories an increasing proportion of the output of textiles, and to diminish correspondingly the proportion of home-made clothing.²

The textile industries over-fulfilled the 1954 Plan for each main type of cloth, as shown in Table 42. About three-quarters of the increase in output of wool textiles was made possible by the use of previous excess capacity and most of the remaining one-quarter came from the newly opened mill at Krasnodar. The wool content of several types of woollen cloth has been increased³ and the higher-quality woollen textiles expanded faster than the rest.⁴ The increase in the output of silk and rayon cloth was mainly due to an expansion of the output of rayon by one-quarter; staple fibre output increased by 59 per cent.⁵

The amount of food processed in 1954, although higher than in 1953, has been less than expected because

¹ In industries producing manufactured consumer goods, for instance, 400 large plants are being newly constructed, while 800 are being modernized.

² Cf. Mr. Mikoyan's speech (*Pravda*, 25 October 1953).

³ E.g., cheviot cloth was formerly made of semi-coarse wool, but now contains 63 per cent fine wool; coatings which formerly contained 40 per cent wool now contain 82 per cent (*Pravda*, 31 March 1954).

⁴ E.g., the 1954 Plan envisaged an increase of 20.5 per cent for worsted cloth as a whole, but of 49.5 per cent for pure wool worsteds (*Tekstilnaya Promyshlennost*, No. 1, 1954). A big worsted mill was opened in Erevan early in 1954.

⁵ Output of the first nine months of 1954 compared with corresponding period of 1953 (*Tekstilnaya Promyshlennost*, No. 12, 1954).

of shortfalls in the deliveries to the State of livestock produce.

As in the clothing industry, new construction is important in food-processing since it is planned to process a gradually increasing proportion of agricultural output. At the end of 1953 plans were published for the expansion of processing capacity in various branches of the food industry for 1956 (see Table 43). These plans represented, in most cases, an acceleration of the rates of expansion which had been envisaged in the current Five-year Plan.⁶

⁶ The only exception is capacity for extracting vegetable oil, which has been revised downwards; but it was previously thought that the Plan implied excess capacity and the new target is likely to be based on the assumption of a better utilization of plant.

Table 43

PLANS FOR FOOD-PROCESSING CAPACITY
IN THE SOVIET UNION

Index numbers — 1950 = 100

	1955 Five-year Plan	1956 Revised Plan
Sugar refining: granulated	125	140
lump	170	222
Tea processing	180	210
Oil seed extracting	250	170
Vegetable and fruit canning	140	230
Fish canning		170 ^a
Meat preparation	140	150
Butter making	135	150
Cheese making	200	250
Milk condensing	260	300
Milk drying	200	340
Whole-milk processing	160	170

Sources : 1955 targets : *Izvestia*, 12 October 1952; 1956 targets : *ibid.*, 30 October 1953.

^a 1953 = 100.

Chapter 4

TRADE AND PAYMENTS OF WESTERN EUROPE

1. INTRODUCTION

The most remarkable feature of the trade of western Europe in the period from the middle of 1953 until the end of 1954 was its comparative immunity in face of the United States industrial recession. Two years ago scarcely anyone would have foreseen that United States production could fall by even as little as one-tenth without producing serious balance-of-payments difficulties in western Europe and in other parts of the world. As things have turned out, however, the American setback has failed to develop into a major depression and—even more important for the outside world—it failed to produce a collapse in the prices of primary products. This is, undoubtedly, the most significant fact from western Europe's point of view, since the primary producers are western Europe's most important overseas customers, and many of them are members of one or other of the western European currency areas. Hence, any sharp reduction in their export income has profound effects not only on western Europe's exports but also on its reserves of gold and dollars.

Between the first half of 1953, when United States production was running at its peak, and the first half of 1954, when it had become stabilized at a lower level, the dollar value of United States imports from the rest of the world fell by only 5 per cent. The decline in the volume of American imports was slightly greater than this, but since the average unit value of imports actually rose by 2 per cent—instead of falling—the effect of the recession on the dollar earnings of foreign countries was much more limited than might have been expected. Possible reasons for the behaviour of raw-material prices have been suggested in Chapter 1 and will not be repeated here. What is relevant to the present discussion is the fact that the export incomes of overseas primary producers did not suffer a sudden collapse and that they were able to continue to buy comparatively freely both from the United States and from western Europe.

The peculiarity of the situation is enhanced by the fact that in this same period western Europe's industrial production was rising rapidly. While a large part of the increase in production undoubtedly went into

consumption within the area, as is reflected in the rapid rise in the volume and value of trade between the countries of western Europe discussed below, it was also accompanied by—and in part caused by—a substantial rise in western Europe's overseas exports. The value of imports into the United States from western Europe fell—between the first three quarters of 1953 and the same period of 1954—by 13 per cent, or over twice as fast as the fall in United States imports from the world as a whole. But, as shown in Table 44, this loss of \$223 million worth of western European export earnings was more than made good by the increase in western European exports to other overseas countries, amounting to nearly \$800 million. The increase in exports to these countries compared with the first nine months of 1953 was as much as 11 per cent. At the same time, there was a remarkable increase in exports to eastern Europe, which rose by one-third or \$175 million. This expansion was largely the result of increased purchases in western Europe by the U.S.S.R. On the western European side, the increase was distributed more evenly, a particularly large expansion of trade being registered, however, in food-exporting countries such as Denmark and the Netherlands.¹

It is clear that one of the principal reasons for the strength of the overseas demand for western European exports during this period was the fact that United States imports from primary producing countries declined only moderately. The principal primary producing areas are Latin America, the overseas sterling area, and the other areas affiliated to western European countries. As can be seen in Table 44, the fall in the value of United States imports from the Latin American Republics between the first nine months of 1953 and the same period of 1954 was only 4 per cent. The proportionate fall in the value of imports from the overseas sterling area was larger than this, but imports from the other countries affiliated with western Europe actually rose in value. From the three areas combined, United States imports fell by only \$142 million, or 4 per cent.

¹ For a fuller discussion of this development, see Chapter 5.

Table 44

TRADE OF THE UNITED STATES AND WESTERN EUROPE WITH MAJOR TRADING AREAS

Millions of current dollars and percentages

	January–September		Increase (+) or decrease (–)	
	1953	1954	Millions of dollars	Percentages
<i>United States imports (f.o.b.) from :</i>				
Latin American Republics	2 663	2 548	–115	– 4
Overseas sterling area	856	779	– 77	– 9
Other countries affiliated with western Europe	279	329	+ 50	+18
Total of areas listed	3 798	3 656	–142	– 4
Western Europe	1 710	1 487	–223	–13
Rest of the world	2 715	2 559	–156	– 6
Total imports	8 223	7 702	–521	– 6
<i>Western Europe's imports (c.i.f.) from :</i>				
Latin American Republics	1 627	1 817	+190	+12
Overseas sterling area	4 775	4 876	+101	+ 2
Other affiliated areas	1 619	1 753	+134	+ 8
Other overseas areas (excluding United States)	2 117	2 009	–108	– 5
Eastern Europe (including the U.S.S.R.)	629	715	+ 86	+14
Total of areas listed	10 767	11 170	+403	+ 4
<i>Western Europe's exports (f.o.b.) to :</i>				
Latin American Republics	1 109	1 369	+260	+23
Overseas sterling area	3 135	3 583	+448	+14
Other affiliated areas	1 601	1 702	+101	+ 6
Other overseas areas (excluding United States)	1 590	1 572	– 18	– 1
Eastern Europe (including the U.S.S.R.)	526	701	+175	+33
Total of areas listed	7 961	8 927	+966	+12

Sources : Tables XXX and XXXI.

It remains to be explained how these primary producing areas were able not simply to maintain their purchases from western Europe but to expand them by as much as \$800 million. Part of the answer lies in the fact that western Europe's imports from these areas were also expanding at this time (they increased by over \$400 million). For the rest, it seems that these areas were willing temporarily to reduce their normally favourable trade balances with western Europe.

In the second half of 1953, several countries in this group—especially Australia, New Zealand and Argentina—relaxed their import restrictions. In Australia and New Zealand severe restrictions had been imposed at an earlier period in order to rebuild their sterling

assets. In the first half of 1953 Australia's foreign exchange reserves rose by \$225 million and New Zealand's by \$104 million. In the first half of 1954 New Zealand's reserves were still rising rapidly—although not quite so fast—while Australia's reserves fell by \$84 million. Changes in the import policies of these two countries largely account for the reduction in western Europe's trade deficit with the overseas sterling area in the first half of 1954 compared with the first half of 1953; and they, together with Argentina—in the movement of whose reserves very similar tendencies can be discerned—¹ accounted for almost

¹ The foreign exchange reserves of Argentina rose by 889 million pesos during the first half of 1953, but by only 376 million pesos in the corresponding period of 1954.

one-half of the increase in western Europe's overseas exports between the first three-quarters of 1953 and the corresponding period of 1954.

It is reasonable to conclude that about half of the increase in western Europe's exports in this period to Latin America, the sterling area and the other affiliated areas was made possible by a slowing-down of the rate at which the countries concerned were accumulating foreign reserves, or—in the case of Australia—by an actual running-down of reserves. It is improbable, however, that similar gains at the expense of these countries' currency reserves can be expected in the future and, indeed, to judge by the figures for the third quarter of 1954, western Europe's exports to these areas have already ceased to rise. In the autumn of 1954 Australia, which was then losing its reserves fairly rapidly, reimposed a number of import restrictions, and the Australian market seems unlikely to grow, and may even decline somewhat, in the immediate future.

The Expansion of Trade within Western Europe

The expansion in western Europe's total exports to overseas areas was matched by a similar expansion in trade within western Europe. As can be seen in Table 45, while western European exports to all outside countries increased by \$551 million between the first

half of 1953 and the first half of 1954, trade between the countries of western Europe increased by \$605 million. In each case this represents an increase of 8½ per cent over the first half of 1953. During the same period western Europe's export prices were steadily falling, the average unit value of all its exports to outside countries dropping between the first half of 1953 and the first half of 1954 by 4 per cent. The average unit value of goods traded within western Europe fell by slightly more than this and hence the increase in the volume of goods traded within western Europe was greater than the increase in the volume of western European exports to outside countries.

The increase in the volume of intra-western European trade since the beginning of 1953 has been very remarkable. Between the first half of 1953 and the first half of 1954 it rose from 112 per cent of 1950 to 130 per cent—an increase of 16 per cent in a year—and in the third quarter of 1954 it showed a further rise to 138 per cent of 1950. During the same period industrial production in western Europe was increasing at only about half this rate. It is not unnatural to assume that the expansion in intra-western European trade was in part due to the process of trade liberalization. During 1954 there were some further advances in the freeing of imports, particularly in France and the United Kingdom, which had previously lagged behind; and at the beginning of January 1955, of the

Table 45
TRADE OF NINETEEN WESTERN EUROPEAN COUNTRIES

Millions of dollars, f.o.b., and index numbers—1950 = 100

Period	CURRENT VALUE				VOLUME			UNIT VALUE			Terms of trade with other countries <i>b</i>
	With one another <i>a</i>	With other countries <i>b</i>			With one another <i>a</i>	With other countries <i>b</i>		With one another	With other countries <i>b</i>		
		Imports	Exports	Balance		Imports	Exports		Imports	Exports	
1950 Year <i>c</i> . . .	5 287	6 260	4 860	—1 400	100	100	100	100	100	100	100
1951 First half . .	6 833	8 790	6 373	—2 417	112	106	113	115	133	116	115
Second half . .	7 631	8 956	7 264	—1 692	113	106	116	127	135	129	104
1952 First half . .	7 323	8 916	6 862	—2 054	106	109	111	131	131	127	103
Second half . .	7 329	7 453	6 257	—1 196	112	99	106	124	120	121	100
1953 First half . .	7 135	7 853	6 359	—1 494	112	111	111	120	113	118	96
Second half . .	7 637	7 624	6 970	— 654	126	111	123	115	110	117	94
1954 First half . .	7 740	8 097	6 910	—1 187	130	122	126	113	106	113	94
Third quarter <i>c</i>	8 171	7 848	6 803	—1 045	138	117	125	112	108	112	96

Sources and methods: See Appendix B. ^a Figures taken from export side. ^b Including trade with eastern Europe. ^c Half-yearly rate.

thirteen countries which are committed to the liberalization programme, six had freed their imports to the extent of 90 per cent and six more to 75 per cent.¹ Although the progress of liberalization has slowed down in most countries in the past eighteen months its qualitative significance may have become more important. Since the tendency is for each country to liberalize first those commodities for which it expects imports to rise least, the latter part of the programme may have had the sharpest edge.

¹ Between January and December 1954, liberalization percentages in France rose from 18 to 65 and in the United Kingdom from 75 to 83 per cent. At present, France is to apply 73 per cent experimentally until the first of April.

Western Europe's Terms of Trade

While western Europe's export prices have been falling slowly, import prices were, until recently, falling at a slightly faster pace. Hence, western Europe's terms of trade with outside countries were steadily improving until the middle of 1954. By the second half of 1952, they had recovered to the 1950 level, and during the following year they improved by a further 6 per cent. In the first half of 1954 they were beginning to level off, and in the third quarter of 1954, as a result of an upturn in raw material prices, the terms of trade deteriorated slightly.

The effects of changes in the terms of trade on the changes in the trade balances of individual western

Table 46
COMPONENTS OF CHANGE IN TRADE BALANCES OF WESTERN EUROPEAN COUNTRIES
In per mille of gross national product

Country	Change in trade balance ^a		Terms of trade effect ^b		Volume effect ^c					
					Import volume		Export volume		Total	
	1952 to 1953	1953 to 1954 ^d	1952 to 1953	1953 to 1954 ^d	1952 to 1953	1953 to 1954 ^d	1952 to 1953	1953 to 1954 ^d	1952 to 1953	1953 to 1954 ^d
<i>Terms of trade improving from 1952 to 1954 ^d</i>										
United Kingdom	+ 6	+ 3	+16	- 2	-21	- 3	+ 5	+ 7	-16	+ 4
France	+ 9	+ 2	+ 3	- 4	0	- 8	+ 5	+14	+ 5	+ 6
Italy	+ 1	+ 5	+ 4	+ 5	-15	- 4	+ 9	+ 3	- 6	- 1
Switzerland	+27	-20	+11	+11	-10	-36	+26	+ 5	+16	-31
Denmark	+ 1	-26	+10	+ 3	-40	-47	+27	+16	-13	-31
Western Germany	+14	+ 1	+10	0	-17	-26	+22	+28	+ 5	+ 2
Sub-total	+10	0	+ 6	0	-11	-16	+14	+16	+ 3	0
Sub-total, excluding United Kingdom	+ 9	+ 1	+10	0	-14	-12	+11	+13	- 3	+ 1
<i>Terms of trade deteriorating from 1952 to 1954 ^d</i>										
Netherlands	-18	-26	- 2	- 1	-72	-78	+51	+50	-21	-28
Belgium-Luxembourg	-24	-19	-35	-12	- 2	-91	+13	+77	+11	-14
Portugal	- 1	+ 7	- 8	-16	- 3	+ 7	+ 4	+16	+ 1	+23
Norway	-33	- 4	-19	+ 8	-29	-35	- 6	+21	-23	-14
Sweden	+ 9	-11	- 6	- 2	+ 1	-16	+13	+ 7	+14	- 9
Finland	+49	0	-18	+ 8	+68	-30	+ 4	+22	+72	- 8
Austria	+36	0	-22	+ 3	+16	-32	+45	+29	+61	+ 3
Sub-total	0	-12	-15	- 2	- 8	-48	+22	+36	+14	-12
Total, all countries	+ 7	- 1	+ 5	- 1	-13	-18	+13	+17	0	- 1

Sources and methods: See Appendix B.

NOTE. — A third component, "general price level effect", is not separately shown in the table owing to its generally marginal importance. This indicator measures the effect of changes in the general level of prices (as defined in footnote *b*) on the trade balance. All three indicators add to the total change in current trade balances shown in the first two columns.

^a Imports c.i.f., exports f.o.b.

^b The difference between the actual trade balance in the second year and a hypothetical trade balance which would have existed in that year under the assumption that both import and export prices would have changed by the amount of change in the "general level of prices". The "general level of prices" is a weighted average of import and export prices.

^c Difference between imports and exports in the second year (revalued at base year prices) and imports and exports of the base year. Signs indicate the effect of change on the trade balance.

^d January 1954 to the latest month available, at an annual rate.

European countries can be seen in Table 46. In this table each figure is expressed per thousand units of the gross national product of the country in question.¹ Hence, the size of the figure, in each case, depends partly on the size of the movement in the item concerned—e.g., the terms of trade or the volume of trade—and partly on the relative importance of trade in the national product of that country. The countries have been divided into two groups: those for which the terms of trade in the period 1952 to 1954 were, on balance, improving, and those for which the terms of trade in the same period were, on balance, deteriorating. It will be seen that the major changes, for each group taken as a whole, occurred between 1952 and 1953, when the prices of raw materials were still falling back from the abnormally high levels reached in 1951. It is not surprising to find, therefore, that the countries in the first group are predominantly exporters of industrial goods and importers of raw materials, while the countries in the second group—although also in some cases industrialized countries—derive a large part of their export incomes from the sale of raw or semi-fabricated materials. Belgium-Luxembourg is a large exporter of crude steel, Portugal of ores and cork, and Austria and the Scandinavian countries of forest products.

With a few exceptions, the countries of western Europe neither gained nor lost an appreciable amount as a result of the change in their terms of trade between 1953 and 1954. The changes in their volume of trade, however, were more significant. It is noteworthy that in the Netherlands and Denmark the volume of imports increased considerably more than that of exports between 1953 and 1954. In the case of the Netherlands, the change was deliberate, since Dutch exchange reserves had previously been rising sharply. Danish imports, on the other hand, increased with unexpected speed and led to a serious loss of foreign exchange in the autumn of 1954.

Future Prospects

The prospects for the future of western Europe's trade and payments depend on many unknown factors. First in order of importance is still the question of

what may happen to the economy of the United States. American industrial production, after a long period of comparative stability, was at the end of 1954 beginning to show signs of recovery; but the strength of the movement remains to be seen. So far, American industrial stability, even at a level below full employment, has seemed to be of advantage to western Europe. While American imports of raw materials have not fallen catastrophically, they have fallen enough to make way for an expansion of western European imports, so that western Europe's industrial expansion has not been accompanied by a deterioration in its terms of trade. Meantime, trade between western Europe and other parts of the world has been growing at a satisfactory pace—at least until the middle of 1954—and trade within Europe, both within the west and between east and west, has done even better.

The question arises whether, if United States production and trade persist at their present levels, production and trade in the rest of the world can continue to increase. The answer depends partly on whether there are important new opportunities for mutual trade between western Europe and its other trading partners. Here it is relevant to note that a large part of the expansion in western European industrial production in the past eighteen months has been the result of the rapid growth in the engineering and chemical industries, which, in turn, is related to the increase in western Europe's internal demand for investment goods, military goods and durable consumer goods.² A large part of the expansion in trade within western Europe has also been in engineering and chemical products.³ A feature of these goods is that they have a lower overseas import content than, for example, textiles, the production and consumption of which have been increasing more slowly.⁴ It is possible that western Europe's internal demand for food and textiles is now approaching saturation point—within the limits of the existing distribution of income—and that, for the future, expansion will tend to be concentrated on goods with a lower import

¹ The GNP of 1952 has been used for the comparison between 1952 and 1953, and that of 1953 for the comparison between 1953 and 1954. Signs indicate the effect of each component change on the actual trade balance. Apart from changes in the volume of trade, and in the relative prices of imports and exports (terms of trade), the current trade balance is also affected by changes in the absolute prices of exports and imports. It is possible to construct an indicator of this last influence, but in the years 1952 to 1954 its contribution was very small and the indicator is not shown separately in the table.

² The remarkable increase in the durable consumer goods market is discussed in Chapter 1.

³ Of a total increase in the exports of seven western European countries to western Europe, as a whole, between the first half of 1953 and the first half of 1954 of \$706 million—at 1950 prices—\$281 million was accounted for by engineering and chemical products. See Table XLVIII for details.

⁴ For the United Kingdom, the figures published in *National Income and Expenditure 1946-53* give the following proportions of imports to total inputs in 1950: metals, engineering and vehicles 6.8 per cent; textiles, leather and clothing 28.4 per cent; other manufacturing (excluding food, drink and tobacco) 19.1 per cent.

content. Such a development would tend to increase the difficulties of overseas countries dependent on exports of primary products.

Even if these problems can be solved, there remains the hard core of the dollar deficit. The underlying situation has been masked by the continued flow of extraordinary dollar receipts—of which economic

aid and overseas military expenditures by the United States are the most important. Even, therefore, if western Europe's trade with the rest of the world is able to expand, it will continue to depend on the United States to supplement its dollar earnings so long as American imports do not attain a higher level than exists at the present time.

2. EXPORTS TO MAIN OVERSEAS MARKETS

The general course of western Europe's overseas exports in recent years can be seen in Table 45, which appears earlier in this chapter. The expansion following the outbreak of the Korean war had attained its peak in the second half of 1951; during the succeeding twelve-month period the volume of exports from western Europe to outside areas contracted by nearly one-tenth. Thereafter exports rose again at a fairly even rate to become stabilized during the first nine months of 1954 at a level roughly 25 per cent above that of 1950.

This movement of the total volume of exports, however, conceals important differences in the development of exports to main areas of destination. It is proposed to examine in this section the characteristics of exports to three major groups of overseas countries—namely, areas affiliated through currency ties with European countries, the dollar area, and all other overseas countries. The data on which the discussion is based cover exports of seven western European countries, which together accounted for

about 80 per cent of the overseas exports of the nineteen western European countries in the first half of 1954.¹ The exports of each country have been expressed in 1950 prices so as to exhibit the changes in the volume of exports to each area.

The major differences amongst the three areas stand out from Table 47. Whereas the volume of exports to the affiliated areas has been rising continuously since the second half of 1952, those to the dollar area declined appreciably in the first six months of 1954. In the affiliated areas currency ties with European countries have in general favoured imports from Europe, while in the dollar area demand was expanding until the end of 1953, by which time the influence of the American recession was beginning to make itself felt. The other overseas countries form a heterogeneous group in which changes tend to be irregular and sudden.

¹ The data are shown in summary form in Tables 48, 49 and 52. For a more complete break-down, see Table XLVIII.

Table 47

EXPORTS OF SEVEN^a WESTERN EUROPEAN COUNTRIES TO MAIN OVERSEAS MARKETS

Millions of dollars at 1950 prices, f.o.b.

Area of destination	1952		1953		1954
	First half	Second half	First half	Second half	First half
Affiliated overseas countries	2 765	2 426	2 570	2 768	2 929
Dollar area	828	1 002	1 127	1 197	1 103
Other overseas countries ^b	959	814	814	951	951
Total overseas countries	4 552	4 242	4 511	4 916	4 983
of which :					
from the United Kingdom	2 113	1 857	1 965	2 137	2 154
from western Germany	427	497	514	682	676

Sources : Table XLVIII.

^a United Kingdom, France, western Germany, Italy, Belgium-Luxembourg, the Netherlands and Sweden.
Excluding eastern Europe.

An important feature of western Europe's overseas trade during the past two and a-half years has been the contrasting movements of British and German exports. As will be seen later the United Kingdom was, for various reasons, more affected than western Germany by the changes in import restrictions introduced in the overseas sterling area and in Latin America. At the same time several features in western Germany's trade relations have favoured an almost uninterrupted rise of that country's exports up to the end of 1953. Its rapidly expanding domestic production and the rise in the demand of overseas countries for the traditional export commodities of western Germany, like chemicals, were reinforced by energetic efforts to expand exports and to reconquer overseas markets. Some part in the expansion of western Germany's exports was also played by the granting of more liberal credits to its overseas customers, within bilateral trade and payments agreements. Although the United Kingdom has also accumulated unpaid claims in some overseas countries, these have been small in relation to its total export trade; in any case, the sterling payments system does not provide for such automatic overdraft facilities as are often associated with western Germany's bilateral agreements.

Exports to Affiliated Overseas Areas

The overseas territories affiliated through political and currency ties with some western European countries represent the most important overseas market area for western Europe as a whole, absorbing over one-half of its total overseas exports.¹ The existence of these ties has greatly contributed to the maintenance of a high level of exports from western Europe during the past two years. Although the purchasing power of the exports of affiliated countries fell sharply as a result of the collapse in the prices of primary commodities in 1951 and 1952, nevertheless the decline in European exports to the affiliated areas which followed—with some delay—was not nearly as severe as might have been expected.² Their willingness to run down their foreign exchange reserves, in many cases below their pre-Korean level, the availability of additional

finance in European metropolitan countries and the traditional reluctance to apply equally severe import restrictions to them as to other suppliers all contributed to the relative stability of European exports to this area.

The moderating influence of these institutional factors on the fluctuations of western European overseas exports made itself felt again in the developments between 1953 and 1954: whereas the volume of exports to affiliated countries appears to have expanded by 6 per cent between the second half of 1953 and the first half of 1954, it fell by 4 per cent to other areas.

The movements in the volume of exports by main commodity groups³ from the seven most important western European exporters to affiliated overseas territories are shown in Table 48. The sharp drop in the volume of exports from the first to the second half of 1952 reveals, once again, how disturbing are the repercussions of falling export earnings in primary producing countries for their suppliers, directly through the decline in the real incomes of these countries and, in some cases, through the subsequent imposition of quantitative restrictions. Only western Germany and the Netherlands succeeded in increasing their exports during that period. German products benefited from the vigorous export drive in some Middle and Far Eastern sterling markets, as well as from certain liberalization measures, and the expansion of Dutch sales to the overseas sterling area was based essentially on manufactured food products.

Most of the intensification of import restrictions during the 1951 foreign exchange crisis was directed against dollar goods.⁴ Thus, the volume of dollar imports into the overseas sterling area fell by 36 per cent between the first and second halves of 1952, if wheat imports into India and Pakistan—partly financed with United States aid—are excluded.⁵ The striking fact that imports have remained around

¹ Naturally, the importance of these markets is much greater for the "mother" countries than for those European exporters which have no overseas affiliations. Although the O.E.E.C. liberalization rules do not apply in most of the affiliated countries and the traditional preferential treatment granted to the "mother" country handicaps other European competitors, the existence of the European Payments Union has in many cases facilitated the entry of those other exporters into the area.

² Exports from Europe to the affiliated areas fell by 16 per cent in volume between the second half 1951 and the second half 1952, against a 21 per cent fall in exports to other non-dollar primary producing countries. For relevant statistics, see Chart 5 in Chapter 1 and Tables XXIII and XLIX in Appendix A.

³ Further details (20 commodity groups and selected sub-groups) are given in Table XLVIII. The periods shown here are half-years from 1952 onwards. The peak in the volume of exports to all affiliated areas occurred in the second half of 1951 but the volume of exports to these areas in the first half of 1952 was still very close to this level.

⁴ For instance, at the Commonwealth Finance Ministers' Conference held in January 1952 it was agreed that dollar imports of overseas sterling countries should be reduced with the aim of achieving overall balance with the dollar area within one year.

⁵ These two countries imported 2.2 million tons of wheat from the United States and Canada in 1952 and 1.9 million tons in 1953; their imports in 1954 appear to have been much smaller because of good harvests. Pakistan, which in mid-1953 received a gift of one million tons of wheat for famine relief, announced in April 1954 that the grain situation had improved so much that over 300,000 tons of this grant would not be required.

Table 48

EXPORTS OF SEVEN ^a WESTERN EUROPEAN COUNTRIES AND THE UNITED STATES
TO WESTERN EUROPE'S AFFILIATED OVERSEAS AREAS

Millions of dollars at 1950 prices, f.o.b.

Commodity group	Half-year	United Kingdom	France	Western Germany	Belgium-Luxembourg, Italy, Netherlands, Sweden	Total of seven countries	United States
1. Food, drink and tobacco . .	1952 First half	95	119	2	46	262	187
	Second half	83	129	2	55	269	96
	1953 First half	85	127	3	60	275	101
	Second half	100	124	3	72	299	126
	1954 First half	98	145	5	62	310	44
2. to 7. Raw materials	1952 First half	167	144	19	86	416	213
	Second half	168	112	14	71	365	114
	1953 First half	172	132	13	80	397	93
	Second half	179	113	14	91	397	78
	1954 First half	199	121	18	102	440	130
8. to 13. Metal manufactures and engineering products	1952 First half	439	136	47	66	688	169
	Second half	378	109	48	61	596	136
	1953 First half	405	108	53	65	631	148
	Second half	406	85	79	57	627	149
	1954 First half	425	106	66	68	665	131
14. to 16. Transport equipment .	1952 First half	238	75	11	26	350	60
	Second half	168	58	13	23	262	48
	1953 First half	188	56	14	21	279	47
	Second half	222	53	17	32	324	52
	1954 First half	231	68	22	34	355	72
17. Chemicals	1952 First half	119	59	13	28	219	38
	Second half	89	58	20	29	196	35
	1953 First half	99	62	24	21	206	28
	Second half	117	57	31	27	232	34
	1954 First half	127	67	31	33	258	30
18. Textiles	1952 First half	247	140	17	77	481	48
	Second half	208	135	16	86	445	29
	1953 First half	216	129	16	80	441	35
	Second half	267	125	27	103	522	32
	1954 First half	257	131	27	104	519	39
19. and 20. All other commodities	1952 First half	162	132	14	41	349	47
	Second half	123	123	14	33	293	37
	1953 First half	156	129	16	40	341	37
	Second half	179	121	23	44	367	41
	1954 First half	183	132	24	43	382	73 ^b
TOTAL EXPORTS . . .	1952 First half	1 467	805	123	370	2 765	762
	Second half	1 217	724	127	358	2 426	495
	1953 First half	1 321	743	139	367	2 570	489
	Second half	1 470	678	194	426	2 768	512
	1954 First half	1 520	770	193	446	2 929	519 ^b

Source : Table XLVIII.

^a United Kingdom, France, western Germany, Belgium-Luxembourg, Italy, the Netherlands and Sweden.

^b Data for the first half 1954 are not comparable with previous periods, because the commodity composition of \$36 million of United States exports, listed as "unspecified" in Table XLVIII, is unknown. These exports have been included in the group "All other commodities".

that low level ever since, notwithstanding some relaxation of restrictions, seems to point to a more permanent decline in the demand for American goods in that area.

The rise in the volume of western European exports from the first half of 1953 to the first half of 1954 affected all major commodity groups. The proportionate increase was greatest in transport equipment, primarily because of the relaxation of Australian and New Zealand import restrictions in the middle of 1953. This reversal in import policies was also responsible for most of the increase in exports of chemicals and textiles. Sales of French small and medium-sized automobiles to the French Union also rose sharply.¹ The volumes of exports of all the commodity groups shown in the table have surpassed the level reached in the first half of 1952, with the exception of metals and engineering products, exports of which had been exceptionally high during the peak of the 1951/52 boom. In the meanwhile western Germany's exports of these goods reached a peak, in the second half of 1953, which was 70 per cent above the level of the first half of 1952. Part of this gain, however, appears to have rested on the uncertain foundation of a temporary generosity in the issue of licences. Thus, both in India and Pakistan additional licences for imports of equipment were issued for the second half of 1953. The sharp fall in German exports to the affiliated areas in the first half of 1954 may be partly explained by the exhaustion of such licences but partly also by increases in customs tariffs introduced by India and the Union of South Africa.

Exports to the Dollar Area

In the three and a-half years from the outbreak of war in Korea until the end of 1953 western European exports to the dollar area expanded at a more satisfactory pace than exports to any other major overseas market. From the middle of 1950 until the middle of 1953, United States industrial production rose by 19 per cent and the real national product by 14 per cent. The repercussions of this great upsurge were felt in all major trading areas. In the first few months of the Korean war the main emphasis of American imports was on raw materials. Both the volume of raw material imports and their prices rose sharply—especially the latter—and the export incomes of the raw-material-producing countries increased correspondingly. Some western European countries also, in the initial stages, supplied part of the United States demand for raw materials by running down their

stocks; but in the long run the United States demand for western European exports was concentrated on manufactures and semi-manufactured goods. United States imports of these goods showed a steadier and more continuous expansion than its imports of raw materials, which were subject to greater speculative changes.

When the American economy bounded up, in the latter half of 1950 and early 1951, and production was being switched from civilian goods to military requirements, immediate shortages appeared. This gave western European producers an unusual opportunity to develop their exports to the North-American market. The devaluations of 1949, while they were of debatable advantage to western Europe at the time, had at least removed all obstacles to expansion on the score of price; and most western European Governments had made arrangements to encourage dollar exports, by the provision of advice, credits or exchange advantages to exporting firms.²

A minor setback to the expansion of western European exports to the United States occurred towards the end of 1951, as a result of some overstocking and of the revision of the United States defence programme. More recently, however, the 1953/54 recession in the United States and in Canada has had more far-reaching effects: between the peak reached in the latter half of 1953 and the first half of 1954, the volume of exports to the dollar area of the seven western European countries shown in Table 49 fell by 9 per cent. To the United States alone they fell by 10 per cent. On the basis of the incomplete data available for the third quarter of 1954, it may be estimated that the volume of exports has not moved significantly from its new, lower level.

The table also shows how strikingly general this fall in export volume has been. Exports of all the commodity groups specified, with the exception of metal manufactures and engineering products, have slumped by 5 to 20 per cent. For some western European export commodities United States demand is of a marginal character and the fluctuations in exports of those goods have been particularly sharp. An outstanding example of this, as shown in Table 50, is steel.³ The slight recession of 1952, which led to a

² A contribution was also made by the foreign trade policies applied by the United States Government and other dollar countries; in this field the effect of G.A.T.T. protocols on customs tariffs has been most significant.

³ In general, United States imports of European steel expand when shortages develop in the United States or when prices are particularly attractive. There are only a few special steels (e.g., from Sweden) which have a more stable market in the United States. Compared with United States domestic production, steel imports from Europe are negligible; even in the peak year of 1951, they amounted to a mere 3 per cent.

¹ Whereas exports of cars under 1,600 cc. cylinder volume rose sharply from 1953 to 1954, those of larger types fell by one-third.

Table 49

EXPORTS OF SEVEN ^a WESTERN EUROPEAN COUNTRIES AND THE UNITED STATES
TO THE DOLLAR AREA

Millions of dollars at 1950 prices, f.o.b.

Commodity group	Half-year	United Kingdom	France	Western Germany	Belgium-Luxembourg, Italy, Netherlands, Sweden	Total		United States
						Including exports to United States	Excluding exports to United States	
1. Food, drink and tobacco	1952 First half	38	15	4	37	94	27	251
	Second half	44	18	7	45	114	34	273
	1953 First half	42	21	6	44	113	31	253
	Second half	54	23	12	55	144	40	308
	1954 First half	46	25	11	58	140	35	240
2. to 7. Raw materials	1952 First half	57	24	27	107	215	68	564
	Second half	57	26	30	130	243	69	576
	1953 First half	72	41	30	132	275	80	520
	Second half	71	31	35	137	274	85	543
	1954 First half	60	23	38	100	221	86	439
8. to 13. Metal manufactures and engineering products	1952 First half	65	8	37	44	154	92	622
	Second half	75	12	49	50	186	119	566
	1953 First half	81	17	48	53	199	129	674
	Second half	79	12	63	54	208	133	594
	1954 First half	90	12	62	61	225	138	549
14. to 16. Transport equipment	1952 First half	45	2	6	5	58	36	261
	Second half	51	1	12	10	74	44	221
	1953 First half	65	6	9	5	85	54	320
	Second half	58	2	9	20	89	62	249
	1954 First half	54	3	15	14	86	51	331
17. Chemicals	1952 First half	24	20	12	20	76	22	184
	Second half	24	10	20	24	78	27	181
	1953 First half	27	12	36	29	104	33	192
	Second half	29	13	29	36	107	47	186
	1954 First half	27	10	29	32	98	44	179
18. Textiles	1952 First half	62	14	8	30	114	43	183
	Second half	84	20	12	40	156	67	185
	1953 First half	87	21	11	52	171	74	204
	Second half	85	21	12	50	168	75	181
	1954 First half	72	19	9	46	146	67	153
19. and 20. All other commodities	1952 First half	47	12	33	25	117	46	262
	Second half	55	14	48	34	151	58	273
	1953 First half	59	15	46	60	180	61	296
	Second half	62	19	61	65	207	75	293
	1954 First half	60	18	47	62	187	70	516 ^b
TOTAL EXPORTS	1953 First half	338	95	127	268	828	334	2 327
	Second half	390	101	178	333	1 002	418	2 275
	1953 First half	433	133	186	375	1 127	462	2 459
	Second half	438	121	221	417	1 197	517	2 354
	1954 First half	409	110	211	373	1 103	491	2 407 ^b

Source : Table XLVIII.

^a United Kingdom, France, western Germany, Italy, Belgium-Luxembourg, the Netherlands and Sweden.

^b Data for the first half of 1954 are not comparable with previous periods, because the commodity composition of \$277 million of United States exports, listed as "unspecified" in Table XLVIII, is unknown. These exports have been included in the group "All other commodities".

Table 50
EXPORTS OF IRON AND STEEL ^a TO THE UNITED STATES
Thousands of tons

Period	United Kingdom	Western Germany	France	Belgium-Luxembourg	Netherlands	Sweden	Italy, Austria, Denmark, Norway	Total of countries listed	Production in the United States
1950 ^b	22*	242	224	191	86*	31	69	865*	43 862
1951 First half	87	370	467	331	67	28	76	1 426	47 421
Second half	36*	336	275	234	28	27	107	1 043*	47 957
1952 First half	21	139	122	158	22	10	57	529	40 849
Second half	15	85	108	389	1	11	63	672	43 658
1953 First half	37	81	163	324	46	18	34	703	52 569
Second half	45	109	138	314	77	66	18	767	48 684
1954 First half	14 ^b	96	67	137	4	15	13	346	46 049
Third quarter ^c . . .	34	76	78	152	6	10*	22*	378*	40 204
1953 exports to the United States as percentage of total exports of iron and steel ^d	4	9	7	15	25	27	4	10	

Sources: Commodity Trade Statistics, United Nations, and national trade statistics.

^a Group 681 in the S.I.T.C.

^b In addition, the United Kingdom exported 19,000 tons of steel to Alaska and the Virgin Islands in the first half of 1954; the corresponding figure for the third quarter is not known.

^c Half-yearly rate.

^d Based on quantities.

fall of 15 per cent in American production, affected all western European exporters, France being the heaviest loser.¹ The tonnage exported recovered gradually but never reached more than about half its 1951 peak. During the slump of 1954, when the volume of steel exports dropped by more than 50 per cent from its level of the second half of 1953, the Netherlands suffered the largest relative loss.² In 1953 its exports to the American market were one-fourth of its total steel exports and 14 per cent of its production. The complete cessation of these exports in 1954 may be one of the reasons why Dutch steel production was stationary early in 1954.

Another example of marginal supplies which are sensitive to cyclical fluctuations is furnished by the Canadian automobile market. A slight weakening in home demand between the first six months of 1953 and the same period of 1954 was reflected in a substantial fall in imports of British vehicles, whereas

imports and domestic assembly of American cars were much less affected.

Changes of a more long-term character are indicated by certain aspects of the recent decline in western European raw-material exports to the United States. United States production of wood-pulp, for instance, has been rising over a long period, and consumption has recently been lagging behind. As a result, there has been a sharp increase in United States exports of wood-pulp and imports have declined. Sweden and Finland took the brunt of this fall, probably less on account of price competition than because of vertical integration between the paper-making industries of the United States and Canada. The latter country accounted for 82 per cent of total United States imports in 1954 as against 76 per cent in 1953.

In other dollar markets western European countries have been able to achieve a certain success in competition with United States exports. As can be seen from Table 49 the exports of seven European countries to dollar markets other than the United States have been advancing more rapidly than United States exports to the same area in every commodity

¹ French exports of 467,000 tons in the first half of 1951 were due to a passing burst of speculative buying.

² With exports of 77,000 tons in the second half of 1953, the Netherlands had become the largest supplier of steel-plate to the United States.

group specified.¹ Western Germany made the greatest headway despite the fact that it has bilateral trade agreements with only one dollar area country, Ecuador. Western Germany's largest relative gains have been made in metal manufactures, engineering products and chemicals. In the first of these groups, where the United States supplied almost 90 per cent of the combined exports of the countries listed in the first half of 1952, the share of western Germany, although still relatively small, has increased from 3 to 5 per cent and in chemicals from 2 to 7 per cent.

Exports to Other Overseas Countries

Frequent changes in balance-of-payments positions and, consequently, in import licensing policies have been the dominant feature of this third group of

¹ This is certainly true up to the end of 1953 and, although the figures for United States exports in the first half of 1954 are not strictly comparable, the same broad trend seems to obtain in that period.

countries. Table 51 shows that five of these countries, which together account for almost three-fifths of total western European exports to this group, were chiefly responsible for these shifts.² Imports from western Europe into Argentina, Brazil, Egypt and Indonesia contracted sharply from 1952 to 1953; they remained depressed in 1954 in Egypt and Indonesia and recovered slightly in Argentina and Brazil. Japan's imports show a reverse movement, rising steeply in 1953 and dropping somewhat in 1954. The most striking feature of some of these fluctuations is the extreme concentration of import cuts on trade with the United Kingdom. That country's exports to the first four markets listed in the table fell by 53 per cent between 1952 and 1953 as against a drop of only 33 per cent for the other eighteen western European countries.

² The table is in terms of current dollars and does not indicate changes in the volume of trade. It can be estimated, however, that the unit values of European exports to the area fell by 7 per cent from 1952 to 1953 and by 1 per cent from 1953 to 1954.

Table 51

WESTERN EUROPEAN EXPORTS TO COUNTRIES OUTSIDE THE DOLLAR AREA AND AFFILIATED AREAS

Millions of current dollars, f.o.b.

Country of destination	Exporting countries	January–September			
		1951	1952	1953	1954
Argentina	A. United Kingdom, France	126	82	36	75
	B. Other western Europe	253	197	133	152
Brazil	A. United Kingdom, western Germany	183	254	103	119
	B. Other western Europe	282	263	186	250
Egypt	A. United Kingdom	88	75	42	45
	B. Other western Europe	191	177	178	164
Indonesia	A. United Kingdom, Netherlands, Switzerland, Sweden	120	142	99	78
	B. Other western Europe	69	72	68	64
Japan	A. United Kingdom, France, Netherlands, Belgium, Switzerland	70	32	83	68
	B. Other western Europe	30	49	67	68
TOTAL exports to five countries listed:					
	A. Specified bilateral relations	587	585	363	385
	B. All other exports to countries listed	825	758	632	698
Exports to other countries in the area		713	693	741	874
TOTAL EXPORTS TO THE AREA		2 125	2 036	1 736	1 957

Sources: See Appendix B.

NOTE. — "Western Europe" includes the nineteen countries listed in

Table XXX. The area of destination includes all non-European countries outside the dollar area and currency areas affiliated with Europe.

A brief description of the payments situation and the commercial policy of each of the five countries will help in explaining the erratic movements of their imports from western Europe. In Argentina, the virtual cessation of wheat exports in 1952¹ added to the already large trade deficit and led to a rapid depletion of foreign exchange reserves. The subsequent tightening of import controls helped to bring down imports in 1953 while exports recovered. This improvement in the balance of trade permitted a relaxation of import restrictions, and purchases from western Europe in the first nine months of 1954 exceeded their level of a year earlier by one third. At the same time as Argentina was cutting its imports from the United Kingdom and France, it increased its purchases from western Germany, thus accumulating large clearing liabilities. The shift in Argentina's purchases to western Germany was particularly marked in respect of machinery and transport equipment, where western Germany's share in Argentina's imports from eight major suppliers rose from 26 per cent in 1952 to 33 per cent in 1953. The relative position of western Germany is likely to be further strengthened through the conclusion in November 1954 of an important three-year trade and payments agreement whereby \$30 million of the accumulated clearing balance was consolidated and western Germany undertook to purchase 950,000 tons of grain—equal to one-third of its total 1953/54 imports—from Argentina. In contrast to this, negotiations with the United Kingdom, which have been going on since June 1954, have not been brought to any conclusion so far.

In the case of Brazil, the import cuts of 1953 followed a 20 per cent fall in export proceeds² and were intensified in the second half of the year by the Government's austerity plan. Most western European exporting countries were affected by these measures, including western Germany whose swing credit had been exceeded over six times at the end of 1952. In 1953 a complicated system of foreign exchange auctions was introduced³ which contributed to a further rise in Brazilian cost and price levels but did permit an increase in Brazilian imports from western Europe in 1954.⁴ Moreover, the foreign exchange

position had been improved by an increase in receipts from coffee sales amounting to \$300 million.

Egypt's import cuts again affected primarily the United Kingdom. Political factors undoubtedly contributed to this result, but Egypt has also been short of sterling.⁵ Japan, on the other hand, sharply increased its imports from the sterling and E.P.U. areas in 1953, owing to high domestic demand and efforts to shift Japanese purchases away from the dollar area. At the same time, Japan's sterling exports fell away, mainly because of import restrictions against Japanese textiles introduced in the overseas sterling area.⁶ The resulting sterling shortage reached its climax in the early months of 1954, and since then Japanese imports have been reduced gradually through restrictive licensing and monetary deflation. Indonesia's import cuts, prompted by the decline in receipts from rubber and copra exports in 1952, were administered mainly through a multiple exchange rate system and did not assume the character of an acute balance-of-payments crisis.

As a result of the payments difficulties in these overseas countries, the importance of this area in western Europe's total overseas exports diminished considerably. British exports to this group of countries were only 10 per cent of its overseas total in the first half of 1954 as against 15 per cent two years ago; for the Netherlands the corresponding ratios were 28 and 40 per cent. Western Germany, on the other hand, has expanded its sales to these countries, particularly in chemicals, engineering products and transport equipment, as can be seen in Table 52. One of the reasons for its advance in this area, which has been as rapid as in its exports to other destinations, is that about two-thirds of its trade with this group of countries is governed by bilateral clearing agreements, with swing credits outstanding to the extent of about \$100 million at the end of November 1954.⁷

oil purchases and for the reduction of commercial arrears outstanding from the import boom period. In the autumn of 1954 Brazil was nevertheless ahead of schedule in its sterling remittances.

⁵ Egyptian free sterling holdings have been almost exhausted since the autumn of 1952 in spite of the accelerated release of blocked sterling assets by the United Kingdom.

⁶ These were most dramatic in Pakistan, which in 1952 imported 184 million square yards of cotton textiles, but in the next year only 400,000 square yards. The share of the sterling area in Japanese cotton textile exports fell from 67 per cent to 34 per cent between the two years.

⁷ During the payments crisis with Brazil in 1953, the effective swing credits had reached a peak of about \$160 million.

¹ They declined from 2.5 million tons in 1951 to 63,000 tons in 1952.

² Mostly caused by Brazil's inability to market cotton at the then ruling exchange rate.

³ For most favoured exports the effective exchange rate became twice, and for least essential imports up to ten times, the official rate.

⁴ Imports from the United Kingdom have risen very little, as a considerable part of Brazil's sterling earnings is used for

Table 52

EXPORTS OF SEVEN ^a WESTERN EUROPEAN COUNTRIES AND THE UNITED STATES
TO OVERSEAS COUNTRIES OUTSIDE THE DOLLAR AREA AND AFFILIATED AREAS

Millions of dollars at 1950 prices, f.o.b.

Commodity group	Half-year	United Kingdom	France	Western Germany	Belgium-Luxembourg, Italy, Netherlands, Sweden	Total of seven countries	United States
1. Food, drink and tobacco . .	1952 First half	22	6	4	48	80	242
	Second half	20	5	4	30	59	220
	1953 First half	18	7	3	32	60	165
	Second half	18	7	4	35	64	178
	1954 First half	18	7	4	36	65	154
2. to 7. Raw materials	1952 First half	38	39	29	69	175	321
	Second half	31	37	21	50	139	256
	1953 First half	28	57	30	56	171	274
	Second half	39	46	37	77	199	318
	1954 First half	40	47	41	75	203	374
8. to 13. Metal manufactures and engineering products	1952 First half	89	26	87	88	290	261
	Second half	70	21	99	62	252	177
	1953 First half	56	22	74	60	212	172
	Second half	51	26	100	71	248	187
	1954 First half	53	26	98	66	243	179
14. to 16. Transport equipment .	1952 First half	57	11	16	31	115	153
	Second half	52	9	18	35	114	85
	1953 First half	44	8	18	28	98	83
	Second half	51	7	37	39	134	99
	1954 First half	40	17	40	36	133	91
17. Chemicals	1952 First half	31	14	17	34	96	84
	Second half	26	15	28	25	94	57
	1953 First half	20	21	39	38	118	58
	Second half	24	23	56	29	132	75
	1954 First half	26	25	56	32	139	78
18. Textiles	1952 First half	38	15	6	42	101	47
	Second half	31	13	5	33	82	53
	1953 First half	24	15	7	33	79	37
	Second half	27	18	12	38	95	35
	1954 First half	25	18	10	33	86	27
19. and 20. All other commodities	1952 First half	33	16	18	35	102	68
	Second half	20	11	17	26	74	46
	1953 First half	21	12	18	25	76	46
	Second half	19	11	21	28	79	62
	1954 First half	23	12	23	24	82	85 ^b
TOTAL EXPORTS . . .	1952 First half	308	127	177	347	959	1 176
	Second half	250	111	192	261	814	894
	1953 First half	211	142	189	272	814	835
	Second half	229	138	267	317	951	954
	1954 First half	225	152	272	302	951	988 ^b

Source : Table XLVIII.

^a United Kingdom, France, western Germany, Belgium-Luxembourg, Italy, the Netherlands and Sweden.

^b Data for the first half of 1954 are not comparable with previous periods, because the commodity composition of \$23 million of United States exports, listed as "unspecified" in Table XLVIII, is unknown. These exports have been included in the group "All other commodities"

3. THE EFFECTS OF INCREASED WESTERN EUROPEAN PRODUCTION ON IMPORTS

The rise in industrial production and real incomes in western Europe since the beginning of 1953 naturally led to an increase in western European imports. As can be seen from Table 53, the value of total imports by seven major western European countries from outside western Europe increased between the first half of 1953 and the first half of 1954 by \$404 million, in current prices. It is at first sight surprising that more than half of this increase took the form of expenditure on food and feeding-stuffs, since agricultural production within western Europe was rising substantially during this period.¹ However, as will be seen below, much of this increase was due to a rise in the prices of a few food items, so that the increase in the volume of food imports was probably not more than about 2 per cent.

Table 53

IMPORTS OF SEVEN WESTERN EUROPEAN COUNTRIES,^a FROM OUTSIDE WESTERN EUROPE, BY COMMODITY CLASSES

Millions of current dollars

Period	Food and feeding-stuffs	Raw materials	Manufactured goods	TOTAL
1951 ^b	3 282	4 759	698	8 739
1952 ^b	3 074	4 278	711	8 063
1953 First half .	3 157	3 952	647	7 756
1953 Second half	3 138	3 713	639	7 490
1954 First half .	3 386	4 107	667	8 160

Sources: *Commodity Trade Statistics*, Statistical Papers, Series D, United Nations, New York, and *Statistical Bulletins—Foreign Trade*, Series IV, O.E.E.C., Paris.

^a Belgium-Luxembourg, France, western Germany, Italy, the Netherlands, Sweden, and the United Kingdom.

^b Half-yearly rate.

Raw-material Imports

The increase in the value of raw-material imports between the first half of 1953 and the first half of 1954 was comparatively small: it amounted to only \$155 million, or less than 4 per cent. Since average world prices of raw material imports were probably little changed, it appears that the increase in their volume was of the same order of magnitude. Meanwhile western Europe's total industrial production

¹ Between the crop years 1952/53 and 1953/54 agricultural production in the O.E.E.C. area (sixteen countries) increased by 6 per cent.

rose by about 8 per cent. It seems, therefore, that either raw-material stocks were being run down during this period, or the nature of the additional industrial production was such as to require a smaller volume of imported raw materials per unit of output. No reliable figures are available for estimating changes in raw-material stocks in western Europe as a whole, but there are indications that stocks in the United Kingdom were declining slightly, especially of wool, rubber and timber. It is unlikely, however, that the whole of the explanation lies in a fall in stocks—especially in view of the fact that stocks were generally considered to be at a low level in the middle of 1953—and this lends strength to the view, already suggested earlier in this chapter, that the balance of western European production is shifting in favour of goods with a lower overseas import-content.

A particular example of the relative decline in importance of an industry with a high raw-material import-content is the woollen industry. Whether this development is more than temporary it is difficult to say; but it is noteworthy that between the first three quarters of 1953 and the same period of 1954 there was a substantial fall in consumption of raw wool in all the main consuming countries of western Europe except France. Since, in addition, wool stocks were rising in the first period and stationary or falling in the second, there was a considerable fall in western European imports.²

Food Imports

The world supply of most foodstuffs was growing easier in 1953 and 1954 and, with the exception of the three important commodities tea, coffee and cocoa, prices were either stable or falling. The prices of these three beverages, however, which were already rising from 1952 to 1953, showed a further sharp increase between 1953 and the first half of 1954, as indicated in Table 54. This latter rise was due to the coincidence of poor crops in 1953 with an increase in world consumption.³ Since western European expenditure on imports of these three items in 1953 accounted for more than 16 per cent of its expenditure on all overseas food imports, the rise in their prices—amounting to 20 per cent on the average between 1953 and the first half of 1954—raised the average price for all food imports from overseas

² Imports of seven major importers fell 13 per cent between the first three quarters of 1953 and the same period of 1954.

³ For details, see *Monthly Bulletin of Agricultural Economics and Statistics*, FAO, Rome, November 1954, page 15.

Table 54

**NET IMPORTS OF COFFEE, COCOA
AND TEA BY O.E.E.C. MEMBER COUNTRIES**

Commodity	Period	Thou- sands of tons	Unit value index	Millions of current dollars
Coffee . . .	1952	520	100	589
	1953	548	105	654
	1954	309	120	420
	1st half			
Cocoa . . .	1952	276	100	141
	1953	346	143	252
	1954	204	202	209
	1st half			
Tea	1952	241	100	239
	1953	235	104	243
	1954	109	119	129
	1st half			
TOTAL . .	1952	..	..	969
	1953	..	..	1 149
	1954	..	..	758
	1st half			

Sources : Foreign Trade Statistical Bulletins, Series IV, O.E.E.C., Paris, and national trade statistics.

by over 3 per cent. Meanwhile, the volume of imports of coffee continued its upward trend, and imports of cocoa and tea showed no signs of declining.¹

Imports of other foodstuffs have, on balance, been rising slightly. Developments in the production and net imports of cereals and sugar can be seen in Table 55. The long-term trend towards a fall in imports of bread grain and a rise in imports of coarse grain continued in the latest crop year. There was a particularly marked fall in net imports of bread grain as a result of the excellent 1953 harvest in western Europe. The fact that the harvest was of good milling quality and could be used mainly for human consumption rather than for livestock feed may contribute part of the explanation for the increase in imports of coarse grain.² At the same time, however, there was a continued upward movement in the livestock population, marginal changes in which have a large effect on imports of coarse grain.

¹ Suitable allowance has been made for the normal seasonal fluctuations in imports of each item.

² The importance of the quality factor has been underlined by the harvest of 1954, which, apart from the poor crop in Turkey, has been comparable in weight to that of 1953, but whose quality is not high enough to prevent an increase in bread-grain imports in the coming months.

Table 55

WESTERN EUROPEAN PRODUCTION AND NET IMPORTS OF CEREALS AND SUGAR

Millions of tons—annual averages

Commodity and country	Production			Net imports		
	1948-50	1951-52	1953	1948-50	1951/52 to 1952/53	1953/54
<i>Bread grain^a</i>						
Total of nineteen countries	40.0	44.7	50.7	15.0	13.4	9.8
of which: United Kingdom	2.5	2.4	2.8	5.0	4.8	3.8
Western Germany	5.4	6.2	6.5	3.5	2.5	2.4
Italy	7.1	7.5	9.2	1.9	1.5	0.8
France	8.5	8.3	9.4	0.2	0.1	—0.8
<i>Coarse grain</i>						
Total of nineteen countries	33.7	38.8	43.7	6.3	7.0	8.3
of which: United Kingdom	4.9	4.8	5.4	1.8	2.4	2.9
Western Germany	3.2	4.5	4.6	1.0	1.5	1.3
Belgium-Luxembourg	0.8	0.8	0.8	0.7	0.8	1.1
Netherlands	0.6	0.8	0.8	0.7	0.6	1.1
France	5.1	5.9	6.7	0.7	0.8	0.5
<i>Sugar^b</i>						
Total of nineteen countries	5.0	5.8	7.1	3.3	3.1	4.3
of which: United Kingdom	0.6	0.6	0.7	1.9	2.0	3.3
Western Germany	0.8	1.0	1.4	0.5	0.4	0.2
France	1.1	1.1	1.6	0.1	—	—0.1

Sources : Yearbooks of Food and Agriculture Statistics, FAO, Rome, and national trade statistics.

^a Including trade in flour in grain equivalent.

^b Production of raw sugar in years beginning September; trade in raw and refined sugar in raw equivalent. (1 ton refined = 1.1 ton raw.)

The increase in sugar imports was accounted for almost exclusively by the United Kingdom, where sugar rationing ended in September 1953. In the previous six months there were substantial increases in the ration and, although there was no sharp rise after de-rationing, consumption is now at a considerably higher level than in the first quarter of 1953. In several other western European countries, also, consumption has been rising; but although the current sugar crop is estimated to be about 10 per cent smaller than the preceding one, there is a possibility that imports may, in fact, fall as a result of a reduction of stocks. The freeing of the United Kingdom trade in sugar, envisaged in the Government's programme for 1955, will entail the disposal of a large part of accumulated Government stocks, estimated to amount to more than a million tons, while Continental stocks are also reported to be high.

Imports of Manufactured Goods

The value of total imports of manufactured goods by western European countries fell considerably in 1953 but more than regained its 1952 level in the first half of 1954. This substantial expansion was almost entirely a reflection of the growth in intra-western European trade. Imports from the United States—which account for the bulk of western Europe's supplies of manufactured goods from overseas—rose less significantly. It can be seen from Table 56 that, apart from the increases in the metals and chemicals imports of western Germany and some other countries in the first half of 1954, western European imports of United States manufactured goods have remained fairly stable in recent years, and at a level lower than in the years 1945 to 1948. The severe restrictions which remain on the import of finished goods from

Table 56

WESTERN EUROPEAN IMPORTS OF MANUFACTURED PRODUCTS FROM THE UNITED STATES

Millions of current dollars, f.o.b.

Commodity group	Period	Total of nineteen countries	United Kingdom and Ireland	France	Western Germany	Italy	Belgium- Luxembourg and Switzerland	Twelve other countries
Machinery and vehicles	1950-51	630	86	113	15	93	118	205
	1953	702	118	136	22	75	109	242
	1954 ^a	640	80	93	27	66	126	248
Metals and manufactures	1950-51	200	57	22	11	24	20	66
	1953	216	44	22	26	25	24	75
	1954 ^a	319	50	26	79	42	33	89
Chemicals and pharmaceutical preparations	1950-51	180	42	23	10	25	34	46
	1953	149	30	22	12	21	29	35
	1954 ^a	221	45	33	26	23	43	51
Other manufactures	1950-51	239	45	18	29	27	50	70
	1953	228	33	21	34	36	49	55
	1954 ^a	258	43	23	38	41	51	62
Total of commodity groups listed	1950-51	1 249	230	176	65	169	222	387
	1953	1 295	225	201	94	157	211	407
	1954 ^a	1 438	218	175	170	172	253	450
Total imports from the United States	1950-51	3 443	747	378	467	395	467	989
	1953	2 813	615	337	348	281	361	871
	1954 ^a	3 073	560	320	461	291	408	1 033

Source: Computed from Report FT.420, United States Department of Commerce.

NOTE.— For comparability between countries, the figures have been derived from the United States export statistics. The commodity break-down is intended to show the development of exports of certain semi-manufactured and manufactured products; for technical reasons, however, some raw materials of small importance are included in certain groups. Figures exclude "special categories".

^a January-June 1954 at an annual rate.

the dollar area are obviously the main reason for this, but it is notable that Belgium and Switzerland—the countries with the most liberal import policies since the war—have in recent years reduced the United States share of their imports of manufactured goods. This suggests that European industry is capable of holding its own in Europe once the pent-up demand for certain United States products has been satisfied.

The Effect of Dollar Liberalization

Several western European countries lifted restrictions on dollar imports during 1954 and many others, while retaining intact their systems of licensing for dollar imports, have relaxed their application in practice. The countries where liberalization has been most complete in terms of the variety of goods affected are western Germany, the Netherlands, Italy and Sweden. The effect on the dollar imports of the first two countries, in so far as the measures have had time to operate, is shown in Table 57. It will be seen that the share of the dollar area has increased only slightly; but since total imports have been rising rapidly in this period, it is possible that the longer-term effects of liberalization are not yet apparent.

Both countries have expanded their dollar imports, along with their other imports, very considerably; and, since their imports of bread grain from the dollar area have been falling, the rise in their imports of

other dollar goods has been even greater. But the additional demand for dollar goods has not been concentrated on finished manufactured goods. The increases in German imports, for instance, have been greatest in cotton and copper. Imports of these two items from the United States rose between the periods specified in Table 57 by \$71 million, compared with an increase of \$94 million in total imports from the United States. The rest of the increase was accounted for mainly by chemicals, other metals, and some specialized machinery. The same pattern is apparent in the changes in Dutch dollar imports; and the measures taken by other countries, including those where there have been relaxations rather than abolitions of import controls, have tended to bring about a similar result.

The process of dollar liberalization has generally been carried out in such a way as not to damage home industries: while permitting them to enjoy the same advantages as United States industry in the procurement of raw materials, intermediate products, and modern machinery, it has done little to give greater freedom in Europe to United States exporters of finished consumer products. Where restrictions on finished products have been removed, they have in many cases permitted the entry of goods which, from their performance in third markets and in the United States, were known to be of little danger to home producers.

Table 57

EFFECTS OF LIBERALIZATION ON IMPORTS FROM THE DOLLAR AREA

Country and date of liberalization	Imports from dollar area as percentage of total		Percentage increase in imports from dollar area
	From liberaliza- tion until October 1954	In corresponding period of 1953	
Western Germany—February 1954	17.7	16.9	26.9
Of which : United States and Canada	13.3	13.0	24.3
Netherlands—June 1954	16.1	13.9	36.1
Of which : United States and Canada	12.6	11.8	26.7

Source : National trade statistics.

4. THE DEVELOPMENT OF ALTERNATIVE SOURCES OF SUPPLY

In the *Economic Survey of Europe since the War*, published early in 1953, it was shown that one of the most important causes of western Europe's dollar problem was its increased dependence on dollar sources of supply. Whereas production of food and raw materials in the dollar area had expanded

very greatly since pre-war, production of these commodities in other parts of the world had fallen and, since home consumption in many of these countries had itself increased, the supplies available from non-dollar sources for meeting western Europe's needs were much diminished. In the past two or three

Table 58

IMPORTS OF SELECTED COMMODITIES BY SEVEN ^a EUROPEAN COUNTRIES, BY AREAS OF ORIGIN*Millions of dollars at 1953/54 typical prices*

Commodity	Period ^b	United States	Canada	Other dollar area	Total of dollar area	Non-dollar Latin America	Over-seas sterling area	Affiliated overseas areas ^c	Other overseas countries	Western Europe	Eastern Europe	Not allocated	TOTAL IMPORTS	Of which from outside Western Europe
Wheat	1951/52	337	354	—	691	25	87	3	—	19	43	8	876	857
	1952/53	236	401	—	637	4	58	16	5	43	25	—	788	745
	1953/54	93	295	—	388	91	43	20	9	84	39	—	674	590
Maize	1951/52	116	1	—	117	53	10	8	12	37	23	2	262	225
	1952/53	118	1	1	120	37	9	3	3	6	6	—	184	178
	1953/54	125	5	—	130	84	13	9	2	13	4	—	255	242
Sugar	1951/52	16	—	269	285	6	92	14	7	41	20	7	472	431
	1952/53	11	—	148	159	9	131	23	20	19	11	—	372	353
	1953/54	13	—	187	200	7	209	23	23	20	6	—	488	468
Coffee	1951/52	1	—	70	71	238	57	162	22	1	—	3	554	553
	1952/53	1	—	92	93	242	59	173	19	7	—	—	593	586
	1953/54	2	—	121	123	266	61	159	39	4	—	—	652	648
Tobacco	1951/52	202	22	9	233	17	72	16	9	58	3	3	411	353
	1952/53	129	8	9	146	17	77	16	13	63	1	1	334	271
	1953/54	147	19	10	176	15	75	23	13	69	2	5	378	309
Rubber	1951/52	7	12	—	19	—	266	25	44	9	—	3	366	357
	1952/53	8	10	—	18	—	243	25	31	10	—	—	327	317
	1953/54	8	15	—	23	—	232	21	44	10	—	1	331	321
Wool	1951/52	2	—	—	2	25	859	4	1	51	—	8	950	899
	1952/53	—	—	—	—	253	1 008	6	1	82	—	6	1 356	1 274
	1953/54	—	—	—	—	127	1 054	10	5	72	—	22	1 290	1 218
Cotton	1951/52	529	—	71	600	120	96	54	147	66	5	12	1 100	1 034
	1952/53	341	—	55	396	90	151	60	182	96	1	—	976	880
	1953/54	338	—	61	399	189	147	59	236	99	16	—	1 145	1 046
Crude petroleum	1951/52	5	—	82	87	3	815	31	425	—	1	—	1 362	1 362
	1952/53	5	—	74	79	2	1 123	27	306	1	4	—	1 542	1 541
	1953/54	6	—	89	95	3	1 316	36	337	1	5	—	1 793	1 792
Refined petroleum	1951/52	258	3	75	336	—	67	236	38	182	9	2	870	688
	1952/53	177	1	56	234	—	65	184	13	211	12	—	719	508
	1953/54	132	1	51	184	—	68	141	9	207	24	1	634	427
Oilseeds	1951/52	37	18	53	108	31	243	176	216	37	1	2	814	777
	1952/53	18	13	22	53	8	234	109	91	19	2	—	516	497
	1953/54	51	14	37	102	8	235	134	96	15	4	1	595	580
Fats and oils	1951/52	103	4	7	114	168	221	114	61	196	4	5	883	687
	1952/53	41	3	1	45	21	178	96	50	113	2	8	513	400
	1953/54	68	3	8	79	39	132	104	59	113	2	17	545	432
Copper	1951/52	75	41	4	120	46	191	105	7	108	—	4	581	473
	1952/53	57	28	3	88	27	204	114	—	146	—	—	579	433
	1953/54	56	43	1	100	19	216	135	1	186	—	4	661	475
Total of commodities listed	1951/52	1 688	455	640	2 783	732	3 076	948	989	805	109	59	9 501	8 696
	1952/53	1 142	465	461	2 068	710	3 540	852	734	816	64	15	8 799	7 983
	1953/54	1 039	395	565	1 999	848	3 801	874	873	893	102	51	9 441	8 548

Sources and methods: See Appendix B.^b Twelve months from July to June.^a Belgium-Luxembourg, France, western Germany, Italy, the Netherlands, Sweden and the United Kingdom.^c Excluding the sterling area.

years, however, there has been an appreciable shift in this position. Supplies of primary products in the non-dollar areas have continued to grow and, as a result, western Europe's imports of food and raw materials from the dollar area have fallen, while imports of these goods from other areas have risen.

The sources from which seven major western European importers derive their principal imported supplies of food and raw materials are shown in Table 58. The figures in this table are expressed in 1953/54 prices in order to indicate the changes in the volume of imports of each commodity over the past three crop years. Imports from outside western Europe of two commodities, wheat and refined petroleum, have declined steadily, and those of another two, crude petroleum and coffee, have increased. The general trend in the import of the other commodities has been a recovery in volume in 1953/54 after a decline in the previous year; but in no case to a level substantially exceeding that of 1951/52, and sometimes falling far short of it. Wool provides the only exception, on account of the re-stocking which took place in 1952/53.

The chief feature of the shifts in source in the last two years has been the decline in the share of these imports drawn from the dollar area.¹ This is partly because the two commodities which have declined in both years, wheat and refined petroleum, were among the three most important dollar area items in 1951/52. But it is also because, for most commodities, the supplies obtained from the dollar area have been the marginal ones. In other words, in the declines in 1952/53, the dollar share of the total fell, and in the recovery in 1953/54 it increased again.

In most cases however, the proportion drawn from the dollar area did not regain its previous level, even where the previous total volume was reached. Part of the reason for this—until recently at least—has been the maintenance of restrictions on imports from the dollar area. But with the freeing of trade in some of the more important commodities in the past year it has become clear that even in the absence of definite restrictions, differences in prices have often been sufficient to have the same effect. In spite of the increase in western German imports of copper

¹ The table covers rather more than 60 per cent of all food and raw materials imported by the seven countries from outside western Europe in 1953 and a slightly higher proportion of those from the dollar area. The most important dollar area imports not included are metals of various kinds, especially aluminium, and timber. Canada and the United States are still practically the only non-European sources for aluminium and their share of the trade has changed very little. Timber followed the general pattern of a slight recovery in imports from outside Europe in 1953/54, but imports from the dollar area fell in both periods.

from the United States in the first half of 1954, mentioned earlier, the proportion of western European copper imports supplied by the dollar area in this period was lower than in the second half of 1953.

Much of the post-war dependence of western European imports on the United States sprang from the failure of the sterling area, non-dollar Latin America and eastern Europe to maintain their pre-war volume of exports. There has as yet been no sign of a general and sustained recovery in exports from the latter two areas² but, as can be seen from Table 59, there has been in some commodities a shift back to the sterling and other affiliated areas, which now supply for many commodities an even greater share of the trade than pre-war.

In fact, within the sterling area, the changes have been on an even narrower front. Where there has been a recovery in the sterling area's share, it has normally been the dependent sterling area members which have recovered the ground lost by the independent ones. The major development in the overseas territories of the French Union has been the improvement in their fats and oils exports. Just as dollar imports have been deliberately restricted, so the substitution of supplies from western Europe's affiliated areas is also partly the result of expansion deliberately fostered by the metropolitan countries and sustained by special contracts. The effects of this development have been discussed in a recent study³ in which it is shown that the production of dollar commodities⁴ in the affiliated areas in 1952 was more than 60 per cent higher than before the war,⁵ while production of non-dollar commodities rose by only 10 per cent in the same period.

The main examples of this development are in the supplies of cotton, sugar, fats and oils, and tobacco. The chief gap in European cotton supplies after the war was caused by the virtual disappearance of India and Pakistan from the export market, partly through increased home consumption and partly from the need to devote more agricultural land to the production of foodstuffs. Although India and Pakistan have recently achieved a level of production comparable with that of 1934-1938, in spite of a reduction in the sown area, their net exports are still at a comparatively low level. As can be seen from Table 60, the total

² Apart from the increase in grain exports from Argentina to western Germany, as part of the large increase in bilateral trade between the two countries.

³ *The Role in World Trade of the Dependent Overseas Territories*, G.A.T.T. Trade Intelligence Paper, No. 2, Geneva, October 1954.

⁴ Cereals (other than rice), sugar, tobacco, coffee, cotton, copper, lead, zinc.

⁵ If petroleum is included, the increase was 126 per cent.

Table 59

IMPORTS OF SELECTED AGRICULTURAL PRODUCTS BY SEVEN ^a WESTERN EUROPEAN COUNTRIES FROM OVERSEAS AREAS AND PERCENTAGES FROM SELECTED AREAS

Commodity	1934-38	1949-51	1953/54
Wheat (<i>millions of tons</i>)	8.8	9.6	8.2
Percentage from: dollar area	41	78	66
overseas sterling area	18	9	7
other affiliated overseas areas	4	2	3
Sugar (<i>millions of tons</i>)	2.7	3.3	4.8
Percentage from: dollar area	41	63	43
overseas sterling area	40	28	45
other affiliated overseas areas	7	3	5
Cotton (<i>millions of tons</i>)	1.5	1.3	1.5
Percentage from: dollar area	45	53	38
overseas sterling area	14	8	14
other affiliated overseas areas	2	5	6
Tobacco (<i>thousands of tons</i>)	299	281	289
Percentage from: dollar area	54	62	58
overseas sterling area	9	24	24
other affiliated overseas areas	5	5	8
Fats and oils (including oilseeds) ^b			
Percentage ^c from: dollar area	5 ^d	15	18
overseas sterling area	40 ^d	32	36
other affiliated overseas areas	16 ^d	21	23

Sources: Tables XXXIII, XXXV, XXXVII, XXXVIII, XLIII and XLVI, corresponding Appendix Tables in the *Economic Survey of Europe since the War*, E.C.E., Geneva, 1953, and national trade statistics.

^a Belgium-Luxembourg, France, western Germany, Italy, the Netherlands, Sweden and the United Kingdom.

^b Five countries only; Italy and Sweden are excluded.

^c Percentages are based on current values, c.i.f.

^d 1938 figures.

Table 60

COTTON PRODUCTION AND NET EXPORTS OF SELECTED PRODUCING AREAS

Thousands of tons—years beginning 1 August

Area	1934-38 average		1948/49 to 1950/51 average		1952/53 to 1953/54 average	
	Production	Net exports	Production	Net exports	Production	Net exports
Independent sterling area	1 180	520	745	50	1 055	165
Dependent sterling area	85	80	95	85	105	110
Other affiliated countries	55	45	110	95	125	110
Non-dollar Latin America	535	340	525	255	560	310
Middle East	505	465	520	455	570	510
Dollar area	2 770	1 075	3 135	1 110	3 755	915
Total	5 130	2 525	5 130	2 050	6 170	2 120
European production	70		120		190	

Source: *Cotton Quarterly Statistical Bulletins*, International Cotton Advisory Committee, Washington.

exports of the independent sterling area producers in the crop years 1952/53 and 1953/54 were still only 30 per cent of their pre-war total. Meanwhile, exports of cotton from all dependent territories have increased by 70 per cent. Whereas the dependent territories' exports are heavily concentrated on western Europe, two-thirds of those of India and Pakistan go to other destinations, chiefly in Asia.

The story of the shift in fats and oils is similar to that in cotton. In this case also Indian supplies dropped out of the market and were replaced by increases in the dependent territories. Similarly, there has been a marked increase in western European imports of sugar from the dependent territories and of tobacco from Rhodesia.

At the moment the new structure is not subject to any great strain because price relationships, in general, do not favour a shift back to dollar sources for these and other commodities. Whether the price structure will continue in its present form, however, largely depends on the way in which the stocks which have accumulated in the dollar area, chiefly in the hands of the U.S. Commodity Credit Corporation, will be disposed of. The most important of these stocks, in terms of their potential effect on world trade, are wheat, cotton and tobacco. On 1 August 1954, stocks of cotton in the United States amounted to 9.6 million bales, of which more than 7 millions were held by the Government. This is equivalent to two and a-half times United States exports in the preceding year and

to more than 70 per cent of total world trade. The current domestic crop is lower than last year's, but the drop is less than the addition to stocks in the preceding year, so that this in itself will not alter the problem significantly.

The wheat stocks, although they are even larger than those of cotton, may prove easier to dispose of under the terms of the recent Agricultural Trade Development Act and in accordance, as far as possible, with the declared intention of not interfering with the world competitive situation. It is planned to use them at times of famine or shortage in countries which would not have the resources to obtain supplies on the world market. This solution can, however, only be employed in the case of basic foods such as wheat. The Act provides for the disposal of one billion dollars' worth of surplus commodities in the next three years.¹ But on 31 October 1954, the stocks held or financed by the Commodity Credit Corporation were worth almost \$7 billion so that these emergency disposals are not on a scale large enough to remove the threat from the market. Now that liberalization of commodity exchanges is becoming more general, and long-term contracts have in many cases been brought to an end, the most arbitrary element in the situation is in the control of the United States rather than of the European Governments.

¹ The volume of applications so far received and granted has been at a very high rate. This may lead to an increase in the volume of stocks planned to be cleared.

5. WESTERN EUROPE'S DOLLAR BALANCE

From 1952 until the end of 1953, Europe's trade balance with the dollar area had been steadily improving. Imports had remained on a relatively low level for an extended period and what seemed in 1952 to be only a temporary restriction of dollar imports—with the aid of de-stocking in Europe—turned out to represent, at least partially, a genuine substitution of goods from non-dollar sources for imports from the United States. On the other hand, exports expanded steadily. Reference to Table XXIV will show that Europe's deficit with the United States on merchandise trade account fell from \$1.1 billion in the first three quarters of 1952 to only \$430 million in the corresponding period of 1953.

As a consequence of the United States recession in 1953/54 American imports from western Europe fell some 10 per cent in volume and as much as 15 per cent in value between the first three quarters of 1953

and the same period of 1954. The recession did not, however, lead to a fall in western Europe's dollar holdings. Dollar imports were, in fact, permitted to increase at the very moment when exports to the dollar area were weakening, but, while the trade deficit with the United States more than doubled (to \$900 million in the January-September 1954 period) the region continued to accumulate gold and dollar assets in 1954, although at a slower rate than previously.

While the gold and dollar reserves of western European countries have increased continuously since 1952 there has been during this period some change in the distribution of these reserves within Europe. The estimates in Table 61 show that the increase in absolute terms has been greatest in the United Kingdom, western Germany and the Netherlands; these three countries accounted at the end of

Table 61

CHANGES IN GOLD AND DOLLAR ASSETS OF SELECTED EUROPEAN COUNTRIES

Millions of dollars and percentages

Country	Change in assets during			Gold and dollar assets at end of		Gold and dollar assets as per cent of imports	
	1952	1953	Jan.-Sept. 1954	1952	Sept. 1954	1952	1954 ^a
United Kingdom ^b	-489	+ 672	+ 383	1 846	2 901	19	31
Austria	+ 36	+ 99	+ 96	96	291	15	47
Belgium	+ 74	+ 76	- 42	830	864	34	34
Denmark	+ 25	+ 26	- 16	102	111	11	10
France ^c	+ 80	+ 90	+ 42	916	1 048	21	25
Western Germany	+271	+ 533	+ 610	637	1 779	17	40
Italy	- 37	+ 133	+ 134	536	803	23	34
Netherlands	+281	+ 221	+ 81	684	986	30	36
Portugal	+ 38	+ 90	+ 66	343	499	99	150
Sweden	+ 37	+ 58	+ 71	244	373	14	21
Switzerland	+ 92	+ 68	+ 38	2 064	2 170	171	166
Six other western European countries ^d	+ 13	+ 100	+ 16	491	609	14	18
Total of countries listed	+421	+2 166	+1 479	8 789	12 434		
Total, excluding the United Kingdom	+910	+1 494	+1 096	6 943	9 533		

Sources: See Appendix B.

^a Imports in 1954: January to latest available date (generally November) at an annual rate.

^b Gold and United States and Canadian dollar holdings for the entire sterling area.

^c Figures for France cover holdings of short-term dollar assets in the United States, as reported by American banks, and gold holdings of the Bank of France. The actual gold and dollar assets of the Exchange Stabilization Fund are not published.

^d Finland, Greece, Norway, Spain, Turkey and Yugoslavia.

1952 for slightly over one-third, but in September 1954 for about one-half, of total western European reserves.¹ While it is impossible to measure precisely the relative sufficiency of the gold and dollar reserves, comparison of these assets with the value of total imports in each year indicates that in each country listed—except Denmark, Belgium and perhaps France—the improvement in convertible reserves has been substantial.² In eight of the eleven countries specified, roughly one-third or more of 1954 imports was covered by convertible reserves; such a situation existed in only four countries two years ago.

The rate of increase of convertible reserves decreased during 1954 in almost all countries except Austria, western Germany and Sweden. The British reserves felt the pressure of E.P.U. settlements and substantial loan repayments in the third quarter; these items amounted to over \$200 million. The Danish import

¹ This redistribution was aided, in the cases of western Germany and the Netherlands, by the repayment of old debts and distribution of assets of the EPU which took place in the summer of 1954.

² This type of comparison has, however, little significance for the United Kingdom, whose gold and dollar reserves are held for the entire sterling area.

surplus necessitated large gold settlements to the E.P.U. (\$50 million in the January-September period). France repaid \$60 million to the E.P.U. (apart from advance repayments of some private loans) and Italy \$40 million; Italy's deficit in the Union also continued persistently during the year. The deterioration of the Dutch dollar position in the third quarter of the year was largely due to its trade balance with the dollar area, following the gradual liberalization of dollar imports.

The reason for western Europe's continued accumulation of gold and dollars during a period which, in other circumstances, might have developed into a minor dollar crisis was, of course, the continued abundance of extraordinary dollar receipts from the United States. These fall into three main categories. United States Government grants, mainly for economic or "defence support" aid, have been falling slowly since the end of the Marshall Plan. On the other hand, military expenditures of the United States armed forces in Europe have risen, as can be seen in Table 62, from \$900 million in 1952 to an annual rate of about \$1600 million in the first nine months of 1954. Finally, in the two years during which the offshore procurement

Table 62

UNITED STATES EXTRAORDINARY EXPENDITURES IN WESTERN EUROPE AND ITS AFFILIATED AREAS, 1952 TO 1954

Millions of current dollars

Period	United States Government grants ^a	Military expenditures	TOTAL	Increase in Europe's dollar holdings and net purchase of gold from the United States
1952 ^b	751	449	1 200	322
1953 First half	726	592	1 318	1 121
Second half	573	716	1 289	989
1954 First half	515	763	1 278	799
Third quarter ^b	532	810	1 342	630
Total 1952 to September 1954	3 582	3 374	6 956	3 868
Offshore purchases to the end of June 1954 (estimated)			800	
TOTAL			7 756	3 868

Sources : See Table XXIII.

^a Excluding military aid.

^b Half-yearly rate.

programme has operated, European countries have received about \$800 million as payment for military supplies manufactured for NATO member countries. Whereas the economic aid part of these receipts has by and large represented free additions to Europe's resources, military expenditures and offshore purchases absorb resources which might, in principle, be used for other purposes.¹

During a period of just under three years, western Europe has received about \$7.8 billion from the United States under these programmes. During the same period, western Europe's net purchases of gold, and accumulations of dollar assets in the United

States, have been of the order of \$3.9 billion.² Clearly, therefore, the "dollar gap" as such has not yet disappeared; in the absence of these extraordinary disbursements of dollars western Europe would have had either to pay out gold and dollars to the United States in each period to the extent shown in the table, or to make other painful adjustments.

¹ More recently, European countries have been able to save dollars through the programme for disposal of United States agricultural surpluses. Shipments of such commodities are paid for in local currency, which the United States Government can use for financing its other aid programmes. Shipments under this programme between the fourth quarter of 1953 and the second quarter of 1954 have amounted to some \$120 million, of which only a minor share has come to Europe.

² This figure is not comparable with the total increase of \$3.6 billion shown in Table 61. By definition, figures in the latter table include also gold received from (or paid to) areas other than the United States. Totals shown in Table 61 are, moreover, subject to a large margin of error because of lack of information on the secret reserves of some European countries, notably France. Apart from gold transfers received from European affiliated areas, one of the most important transfers to western Europe has been the sale of gold by the U.S.S.R. on various European markets at the end of 1953 and early in 1954. Although no firm figures are available, it seems that these sales amounted to some \$150 million in 1953. Circumstantial evidence gathered from trade statistics of various countries indicates that during the first four months of 1954 as much as \$75 million of Soviet gold reached the Paris and Amsterdam markets; moreover, the U.S.S.R. has paid some gold to Finland in settlement of its trade deficit with that country.

SPECIAL NOTE ON THE TRADE STATISTICS PRESENTED IN CHAPTER 5

Though treated for convenience of presentation as firm figures, many of the statistics appearing in this chapter are not available directly in this form from published sources, but are estimates obtained by combining specific facts and figures contained in official statements and publications issued in the eastern European countries and the U.S.S.R. While these estimates have been carefully cross-checked wherever possible and are consistent with the known facts about the trade of these countries, they should be regarded as indicative of orders of magnitude rather than as precise statistics.

These qualifications apply particularly to Tables 63 and 64, which have been derived largely by the application of officially announced percentage increases or percentage shares to the occasional data available on absolute amounts in recent years, or to the more detailed trade statistics for 1948 available for some of the countries of the group. Similarly, the figures in Table 67 have been obtained, in part, by applying to the values of trade in Table 64 announced percentages of the share of machinery and equipment in exports or imports, these results being supplemented by an analysis of trade agreements. The figures so derived are expressed in Table 67 as range estimates (except in the case of Soviet exports of machinery and equipment to other countries of the group, for which the figure given appears to be a minimum estimate, as may be seen from the footnote to the table). These results also appear, expressed as percentages of total exports or imports, in Table 66, together with the data directly available on the commodity composition of the trade. The post-war figures for intra-eastern trade in primary commodities in Table 68 are estimates built up from occasional statements on the amount of trade in particular items, supplemented by data available on production and supply. Tables 65 and 69, on the other hand, are taken directly from the official sources indicated beneath the tables. For further details regarding the sources and methods employed see Appendix B.

It will be noted that the figures in Tables 63, 64 and 67 are expressed in current dollars, the underlying assumption being that prices and price movements in the two world markets distinguished are not so different as to destroy comparability of the figures. In the absence of actual price data and price indices for the foreign trade of the countries of the eastern world market, it is impossible to test this assumption statistically. Various statements from eastern European sources indicate, however, that the prices set in their trade agreements have been, from the beginning, based on those prevailing in international trade generally, though not subject to the same cyclical variations. Since prices in international trade during the past two or three years have again been, after the disturbances associated with the Korean war, at about the 1948 level on the average, the trade values shown are thought to be roughly comparable both as between the different post-war years covered by the tables and as between the two world markets. It should further be noted that these assumptions refer only to foreign trade prices. They do not relate to the prices prevailing in the domestic markets of countries of the eastern trading group, which differ, sometimes widely, from those set for external trade.

Chapter 5

FOREIGN TRADE OF EASTERN EUROPE AND THE SOVIET UNION

1. INTRODUCTION—A NEW PHASE IN FOREIGN TRADE

The new measures of domestic economic policy inaugurated during 1953 and further developed during the past year in eastern European countries and the Soviet Union have naturally had their counterpart in foreign trade and, in particular, in steps and pronouncements looking towards the intensification of commercial exchanges both within the eastern trading group and between its members and other countries.¹

Within the group, the developments of particular relevance included the extension of industrial co-ordination, notably in the field of consumer goods, and the announcement of intentions to work out a more thorough-going co-ordination of national economies under long-term arrangements to become effective with the start of the next Soviet Five-year Plan at the beginning of 1956, with which the plans of the eastern European countries are to coincide. Other major developments included the sale by the U.S.S.R. of its share in the mixed companies which had been formed after the war in Hungary, Rumania, Bulgaria and, subsequently, in mainland China, the handing-over to eastern Germany of the special Soviet companies which had been established there, the ending of reparations as well as the easing of occupation costs paid by eastern Germany to the U.S.S.R., and the extension of new credits to mainland China.

¹ The reader is reminded that throughout this chapter and the SURVEY as a whole (as distinguished from some previous analyses of East-West trade) the expression "eastern European countries" refers only to Poland, eastern Germany, Czechoslovakia, Hungary, Rumania, Bulgaria and Albania and excludes the U.S.S.R. Ordinarily, the latter is specifically mentioned in the text when it is included with the group ("eastern European countries and the U.S.S.R."). These countries taken collectively, together with mainland China, Mongolia and North Korea, are referred to in the present analysis as "the eastern trading group", or "the eastern world market" or, where the meaning is clear, sometimes simply as "the group". Other countries are collectively referred to as "the western trading group", the "western world market", or simply as "the rest of the world". A further distinction within the latter group is sometimes made in the text between "western European countries" (including Finland, Yugoslavia, Greece and Turkey) and "overseas countries".

Trade relations with the outside world have been marked by closer contacts with western European countries, including the East-West trade consultations held in Geneva under the auspices of the United Nations Economic Commission for Europe, and increased efforts to expand trade with overseas countries, especially the under-developed countries. Recent months have also seen a resumption of trade contacts between Yugoslavia and the eastern European countries and the U.S.S.R. and agreements concerning navigation on the Danube.

These developments in official policies have been accompanied by increased attention to foreign trade problems in theoretical writings, including critical examination of the trading concepts and methods hitherto employed and emphasis on the need for greater international specialization and for closer attention to comparative costs of production at home and abroad.

Altogether, these and other trends of the past year or so indicate a shift of emphasis, if not an abrupt change of direction, sufficient to be described in eastern Europe as "a new phase". Hitherto, most of the post-war period had seen a progressive deterioration in East-West trade relationships at the same time as stronger economic ties within the eastern trading group, and also among some of the countries of the western world, were being established. These opposing developments led to the existence of what J. V. Stalin characterized in 1952 as "two parallel world markets", the origins of which he traced as follows in his last work²:

"The disintegration of the single, all-embracing world market must be regarded as the most important economic sequel of the second World War and of its economic consequences.

"It should be observed that the United States, and the United Kingdom and France, themselves

² *Economic Problems of Socialism in the U.S.S.R.*, Moscow, 1952.

contributed—without themselves desiring it, of course—to the formation and consolidation of the new, parallel world market. They imposed an economic blockade on the U.S.S.R., China and the European people's democracies, which did not join the 'Marshall Plan' system, thinking thereby to strangle them. The effect, however, was not to strangle but to strengthen the new world market.

"But the fundamental thing, of course, is not the economic blockade, but the fact that since the war these countries have joined together economically and established economic co-operation and mutual assistance It may be confidently said that, with this pace of industrial development, it will soon come to pass that these countries will not only be in no need of imports from capitalist countries, but will themselves feel the necessity of finding an outside market for their surplus products."

Steps towards remoulding the trade pattern of the eastern European countries had begun in 1947 with the conclusion of broad bilateral agreements on economic assistance and co-operation between the U.S.S.R., on the one hand, and Bulgaria, Czechoslovakia and Poland, on the other. Similar agreements with Hungary and Rumania were signed later. A feature of these agreements was the offer by the U.S.S.R. to provide technical assistance and to supply equipment and credit, by far the most important of the credits extended being that to Poland. The development of a separate market area, which took on a more formal and collective character with the creation of the Council for Mutual Economic Assistance in January 1949, was strengthened with the

growth of a network of bilateral long-term trade agreements related to the national development plans. Meanwhile, trade with other countries, which rose for a time after the war, had already begun to experience increasing strain following the inability of East and West to agree on a joint recovery programme in 1947 and the creation, in western Europe, of the Organization for European Economic Co-operation. In the case of Yugoslavia trade had come to an abrupt halt following the break in relations between it and the eastern European countries and the U.S.S.R. The further deterioration in East-West trade relationships, which became most pronounced with the outbreak of the Korean war, saw the imposition or strengthening of strategic controls on exports by the leading trading nations of the western world and, in eastern Europe, a drastic increase in the planned targets for the heavy industries accompanied by efforts to promote specialization in the production of key items of machinery and equipment.

The present phase can be regarded as, in some respects, simply a further development of what has gone before, in that it is now intended to broaden and extend to industry as a whole the co-ordination started earlier in the engineering industries. But with this comes a new stress on the expansion of trade with countries outside the group and both greater flexibility in the use of national resources and closer study of their most rational allocation as between production for the home market and production for export. To judge their significance, these recent developments need to be seen in relation to the main characteristics of the trade of the region as it has developed up to the present.

2. MAIN CHARACTERISTICS OF THE TRADE

Level of Trade and Geographic Distribution

The two most general features of the trade of the group of countries comprising the eastern world market are the increase in its total volume and the extremely high concentration of the trade amongst the countries of the region, with a corresponding decline in the relative importance of their trade with the rest of the world.

Table 63 indicates that, before the war, the countries of the group accounted for 8 per cent of world trade, while by 1953 their share had increased to 10 per cent of a total which, allowing for price increases, was substantially larger than before the war. What this means in volume terms is difficult to say, though a rough adjustment for price changes from the pre-war

to the post-war period¹ suggests that the total trade of the countries of the group, including their trade with other countries, increased by close to one-half in real terms over this period, thus equalling, or perhaps slightly exceeding, the rise in the volume of

¹ An indication of the price increase in the foreign trade of the U.S.S.R. since pre-war may be derived from *Planovoe Khozyaistvo*, No. 4, 1954, where it is stated that the trade turnover in 1953 amounted to 23 billion roubles in 1953 prices and to 8.4 billion roubles in 1938 prices (this figure is adjusted for the gold appreciation of the rouble by 34 per cent in 1950). These two figures give a price increase by 174 per cent between 1938 and 1953. If the decline in prices between 1937 and 1938 is taken into account, the price increase between 1937 and 1953 would figure out at 150-160 per cent.

The average price increase in total trade of the western world was, during the same period, 124 per cent, according to the *Monthly Bulletin of Statistics*, United Nations, November 1954.

Table 63

NETWORK OF WORLD TRADE BY MAJOR AREAS

Billions of current dollars, f.o.b.

Exporting countries	Importing countries	Year	Group I: Eastern world market				Group II: Western world market			TOTAL WORLD
			U.S.S.R.	Eastern Europe	Other ^a countries	Total for Group I	Western Europe	Overseas countries	Total for Group II	
<i>Group I</i>										
U.S.S.R.	1937	—	—	—	—	0.3	0.1	0.4	0.4	
	1948	—	0.4	0.2	0.6	0.3	0.2	0.5	1.1	
	1952	—	1.3	0.7	2.0	0.3	0.2	0.5	2.5	
	1953	—	1.5	0.8	2.3	0.3	0.2	0.5	2.8	
Eastern Europe	1937	—	0.3	—	0.3	1.0	0.3	1.3	1.6	
	1948	0.4	0.4	—	0.8	0.8	0.2	1.0	1.8	
	1952	1.3	1.0	0.2	2.5	0.6	0.3	0.9	3.4	
	1953	1.5	1.2	0.3	3.0	0.6	0.3	0.9	3.9	
Other countries ^a	1937	—	—	—	—	0.1	0.2	0.3	0.3	
	1948	0.2	—	—	0.2	0.1	0.4	0.5	0.7	
	1952	0.7	0.2	—	0.9	0.1	0.2	0.3	1.2	
	1953	0.8	0.3	—	1.1	0.1	0.3	0.4	1.5	
Total, Group I . . .	1937	—	0.3	—	0.3	1.4	0.6	2.0	2.3	
	1948	0.6	0.8	0.2	1.6	1.2	0.8	2.0	3.6	
	1952	2.0	2.5	0.9	5.4	1.0	0.7	1.7	7.1	
	1953	2.3	3.0	1.1	6.4	1.0	0.8	1.8	8.2	
<i>Group II</i>										
Western Europe	1937	0.2	0.8	0.1	1.1	5.3	3.7	9.0	10.1	
	1948	0.2	0.7	0.1	1.0	9.0	8.1	17.1	18.1	
	1952	0.3	0.5	0.1	0.9	15.0	12.6	27.6	28.5	
	1953	0.3	0.5	0.1	0.9	15.1	12.6	27.7	28.6	
Overseas countries	1937	0.1	0.4	0.2	0.7	5.9	8.1	14.0	14.7	
	1948	0.4	0.4	0.4	1.2	14.0	21.3	35.3	36.5	
	1952	0.2	0.4	0.2	0.8	14.4	27.4	41.8	42.6	
	1953	0.2	0.4	0.2	0.8	14.1	26.6	40.7	41.5	
Total, Group II . .	1937	0.3	1.2	0.3	1.8	11.2	11.8	23.0	24.8	
	1948	0.6	1.1	0.5	2.2	23.0	29.4	52.4	54.6	
	1952	0.5	0.9	0.3	1.7	29.4	40.0	69.4 ^b	71.1	
	1953	0.5	0.9	0.3	1.7	29.2	39.2	68.4 ^b	70.1	
TOTAL WORLD		1937	0.3	1.5	0.3	2.1	12.6	12.4	25.0	27.1
		1948	1.2	1.9	0.7	3.8	24.2	30.2	54.4	58.2
		1952	2.5	3.4	1.2	7.1	30.4	40.7	71.1	78.2
		1953	2.8	3.9	1.4	8.1	30.2	40.0	70.2	78.3

Sources: Data on trade within Group I and between the two Groups are derived from Table 64; other data are from the *Monthly Bulletin of Statistics*, United Nations, August 1953 and August 1954.

NOTE. — For qualifications regarding the approximate character of figures on trade within Group I, see the special note on page 108. Owing to

rounding and f.o.b. adjustment, the figures in this table do not conform exactly to those shown in Table 64.

^a Mainland China, Mongolia, North Korea and Albania.

^b Excluding United States exports of \$2.6 billion and \$4.1 billion respectively not reported according to countries of destination.

trade in the rest of the world. It will be noted, however, that most of this increase is accounted for by the U.S.S.R., while the total foreign trade of the eastern European countries, taken as a group, shows little increase in 1953 over 1937, if adjusted for price changes. For these countries, the major change so far is in the geographic and commodity pattern of trade rather than in its total volume.

Before the war, trade among the countries of the eastern world market was extremely small, amounting in 1937 to only some \$300 million, or less than 15 per cent of their total exports or total imports. Most of this trade was among the eastern European countries themselves, and there was scarcely any trade worth mentioning between them and the U.S.S.R. or China. Today, the pattern of trade, if not quite the opposite to that prevailing before, at least shows a strong trend in that direction. Trade within the region accounts for close to four-fifths of the total exports, or total imports, of these countries. In this intra-regional trade, the U.S.S.R. plays a central role, taking close to 40 per cent of the total exports, and supplying approximately the same share of the total imports, of the eastern European countries. The trade of the eastern European countries with one another has, however, been growing rapidly and, since 1950, also their trade and that of the U.S.S.R. with mainland China.

The position of the U.S.S.R. as the leading trader of the region stands out still more clearly in Table 64. This is not surprising in view of the great size of the Soviet economy, and indeed on this basis its foreign trade is still relatively small, but the change compared with pre-war years is very great. It has moved from sixteenth to sixth position among the leading trading nations of the world and, in volume terms, its total trade turnover in 1953 is officially estimated to have been four times as great as in 1938.¹ Four-fifths of the trade is with other countries of the same group, while its trade with the rest of the world shows little increase in dollar value and has declined substantially in volume.

One of the most striking developments shown in Table 64 is the rapid rise since 1948 in the trade of eastern Germany, which now has the largest total trade turnover of the eastern European countries. It outranks both Czechoslovakia and Poland as, next to mainland China, the largest trading partner of the U.S.S.R., with which its trade is even more sharply

concentrated than that of its neighbours.² This rapid expansion of eastern Germany's trade in recent years parallels that of western Germany, though only about one-quarter as great in total amount in 1953. This comparison points, however, to the fact that both eastern and western Germany have had to try to compensate in their trade with other countries for the severe fall in their inter-zonal trade with each other compared with what it was in pre-war years, and in both cases this compensation still seems incomplete, particularly so in eastern Germany, even if allowance is made for the usual sharp differences in the relative intensity of internal and external commercial relations.³

Czechoslovakia, like eastern Germany highly industrialized before the war, now ranks next to it in total turnover, but had already achieved about the pre-war level in real terms by 1948 and has shown only a moderate further growth in its foreign trade since then. Within the total, however, there has been a drastic shift in the country distribution during the last few years. Its trade with other countries of the same group has tripled in dollar terms from 1948 to 1953, but most of the gain in this direction has been lost in trade with the rest of the world, which has fallen by 60 per cent in the meantime. In fact, this sweeping re-orientation in the case of Czechoslovakia accounts for the entire fall in East-West trade in Europe during these years.

Poland, following closely after Czechoslovakia in total trade turnover, has had less of a decline in trade with western Europe and overseas countries, thanks largely to its coal exports, but has also developed very rapidly its trade with the U.S.S.R. and with other eastern European countries. The other countries of the group—Hungary, Rumania and Bulgaria—have either maintained, or even increased, their trade outside the region since 1948, at the same time as their trade with neighbouring countries has expanded.

² The size as well as the concentration of trade would appear still more marked if reparations deliveries to the U.S.S.R.—amounting in recent years, before they were terminated at the end of 1953, to some \$500 million or more annually at current prices—were added to the commercial exports which alone are taken into account in the turnover figures shown in Table 64.

³ As noted in the table, the post-war figures for eastern Germany include, for purposes of comparability with the foreign trade of other countries of the group, its commercial exchanges with western Germany. This impairs comparability with the pre-war figure, since it would be of doubtful meaning to add to it eastern Germany's commercial exchanges with other parts of Germany (which may be estimated at about 8 billion marks in 1936, including trade with what is now western Germany and with those parts incorporated in Poland and the U.S.S.R. after the war. Cf. *Economic Bulletin for Europe*, Vol. 1, No. 3, page 26).

¹ If, however, the foreign trade of the Baltic countries (excluding their trade with one another and with the U.S.S.R.) is included in the pre-war total, the increase in the volume over the period indicated may be estimated at about three times.

Table 64

DISTRIBUTION OF THE TRADE TURNOVER (EXPORTS PLUS IMPORTS) OF COUNTRIES
IN THE EASTERN WORLD MARKET*Millions of current dollars : exports, f.o.b. ; imports, c.i.f.*

Year	U.S.S.R.								
1937	35	Eastern Germany ^a							
1948	105								
1952	700								
1953	980								
1937	10	30	Czecho- slovakia						
1948	240	25							
1952	600	100							
1953	660	120							
1937	5	20	20	Poland					
1948	230	70	95						
1952	510	250	125						
1953	520	290	200						
1937	—	25	15	5	Hungary				
1948	55	—	40	10					
1952	260	80	140	..					
1953	290	90	140	..					
1937	—	30	40	5	20	Rumania			
1948	100	—	50	10	5				
1952	310	50	80	..	..				
1953	320	60	120	..	..				
1937	—	15	5	5	—	—	Bulgaria		
1948	120	10	30	15	5	..			
1952	170	40	40	..	..	..			
1953	200	60	60	..	..	..			
1937	15	25	10	—	—	—	5	Other countries ^b	Trade with all countries in the eastern group
1948	400	10	5	..	..	..	..		
1952	1 550	100	160	..	..	..	..		
1953	1 730	170	150	..	..	..	..		
1937	65	180	130	60	65	95	30	55	Trade with western Europe ^c
1948	1 250	220	480	430	115	165	190	450	
1952	4 100	1 320	1 250	1 060	640	460	260	2 000	
1953	4 700	1 770	1 450	1 120	740	530	330	2 380	
1937	510	580	450	280	215	230	80	200	Trade with overseas countries
1948	545	150	625	530	160	55	35	140	
1952	640	250	270	430	130	70	25	120	
1953	645	300	220	390	110	105	50	220	
1937	205	410	220	130	35	45	10	365	Trade with all countries
1948	705	30	405	80	55	20	15	880	
1952	460	130	240	110	130	10	5	530	
1953	405	230	200	100	120	10	5	500	
1937	780	1 170	800	470	315	370	120	620	
1948	2 500	400	1 510	1 040	330	240	240	1 470	
1952	5 200	1 700	1 760	1 600	900	540	290	2 650	
1953	5 750	2 300	1 870	1 610	970	645	385	3 100	

NOTE. — The trade turnover between any two countries is found in the box where the column beneath the country higher on the staircase intersects the row opposite the country lower on the staircase (thus, the trade turnover between eastern Germany and Poland in 1953 is given as \$290 million). The total trade turnover within the eastern world market may be obtained by adding crosswise the figures in the row opposite "Trade with all countries in the eastern group" (for 1953 : 4,700 + 1,770 + 1,450, etc. = 13,020). Since this counts the same flow of goods twice, once as exports and once as imports, the total, free of duplication, is one-half of the sum so obtained (and appears after f.o.b. adjustment as \$6.4 billion for 1953 in Table 63).

Sources : See Appendix B.

NOTE. — For qualifications regarding the approximate character of figures on trade within Group I, see the special note on page 108.

^a Including trade with western Germany in post-war years.^b Mainland China, Mongolia, north Korea and Albania.^c According to trade statistics of western European countries. Yugoslavia is included with western Europe for the whole period.

Perhaps the most impressive development of all in recent years has been the growth of trade between the U.S.S.R. and the eastern European countries, on the one hand, and mainland China and other Asian members of the group, on the other. This trade was of little importance before the war and remained so in the early post-war years, but has expanded rapidly since the establishment of the present Government in mainland China. Here also the U.S.S.R. has occupied the central position in this development, and mainland China in turn has become the leading trade partner of the U.S.S.R., accounting for more than one-fifth of the latter's total trade turnover.

In view of the intensification in the trade of each of the eastern European countries with its neighbours, it may be of interest to compare some of the leading bilateral relationships in this area with some of those in western Europe.

*Total Turnover (Exports plus Imports) in selected
Bilateral Trading Relationships in 1953*
(Millions of dollars)

<i>Eastern Europe</i>	<i>Western Europe</i>
U.S.S.R. with :	Western Germany with :
Eastern Germany . . . 980	Netherlands 695
Czechoslovakia . . . 660	France 595
Poland 520	Belgium-Luxembourg . 515
Hungary 290	Sweden 470
	Switzerland 400
Eastern Germany with :	Belgium-Luxembourg with :
Poland 290	Netherlands 735
Czechoslovakia . . . 120	Sweden 155
Hungary 90	Switzerland 120
Czechoslovakia with :	Sweden with :
Poland 200	Netherlands 185
Hungary 140	Norway 175

While only limited conclusions can be drawn from a superficial comparison of these over-all totals the figures do suggest that eastern European countries, starting from a very low level of trade with one another, have developed their interdependence to a degree more or less comparable to that in western Europe. Two opposing qualifications need, however, to be made. One is that, given the substantially higher levels of income prevailing in the western European countries listed, it might be expected that their trade would also be greater, other things being equal. The other is that the foregoing comparisons leave out of account the fact that the trade of the western European countries specified is not so sharply concentrated as that in eastern Europe but is spread over a much wider trading area.¹

¹ In this connection, the total foreign trade turnover (exports plus imports) of individual western European countries may be noted for purposes of comparison with those for eastern Euro-

Trade balances, capital movements and technical assistance

Trade movements and, more broadly, the course of economic development within the eastern world market have been influenced by credits of various types, extended chiefly by the U.S.S.R., though the quantitative effects of these transactions on trade balances cannot easily be determined.² The trade agreements themselves provide limited credit facilities, but stipulate that trade should balance over each six-month period, any deficits outstanding at the end of each year being paid off in commodity deliveries during the following three months. These provisions thus make for a fairly strict bilateral balancing of trade except in the very short run. In addition, however, there are other more important credit arrangements in effect, of which three main types have been distinguished in those accorded by the U.S.S.R. to other members of the group : ³ (a) credit agreements covering the delivery of industrial equipment ; (b) credit agreements for the delivery of raw materials and food-stuffs ; and (c) credit agreements providing gold or foreign currency to the borrowing country.⁴

The first and most important of the equipment credits, which are of a medium- or long-term nature, was that extended by the U.S.S.R. to Poland in 1948 in the amount of \$450 million for deliveries of machinery and materials to be made during the execution of the Polish Six-year Plan (1950-1955). In 1950 this credit was increased to \$550 million and the period for deliveries under the agreement extended to 1958. Repayment is to be made in instalments over a ten-year period, the first instalment falling due in each case as deliveries are made.⁵

Two substantial equipment credits have also been extended by the U.S.S.R. to China. The first of these,

pean countries given in Table 64 (data for 1953 in millions of dollars) : Western Germany 8,226 ; France 7,703 ; Belgium-Luxembourg 4,681 ; Netherlands 4,476 ; Sweden 3,054 ; Switzerland 2,387.

² Data on trade turnovers are more readily available than on exports and imports separately. It is for this reason, and also because net credit flows appear to be small in relation to total trade, that Table 63 has been constructed on the assumption that a fairly close bilateral balance is maintained in intra-regional trade.

³ See *Sovetskoe Gosudarstvo i Pravo*, No. 6, 1953, page 98.

⁴ A possible fourth type which may be distinguished is in the form of credits covering the period of production of capital equipment produced by one country for delivery to another, as in the case of the agreement between Poland and Czechoslovakia, though in this case the credit facilities are of a reciprocal character and fairly short-term.

⁵ Equipment credits have also been granted by the U.S.S.R. to other eastern European countries, but the amounts have not been specified.

covering equipment for 141 large industrial installations, was granted in February 1950 in the amount of \$300 million and was to be utilized in equal annual portions over a five-year period starting in 1950.¹ Interest was set at 1 per cent per annum on the amount actually outstanding, and repayment was scheduled to be made in equal annual instalments over a ten-year period starting 31 December 1954. The second long-term credit to mainland China was granted in October 1954 in the amount of 520 million roubles (\$130 million) to finance deliveries of equipment for 15 additional industrial installations as well as supplementary machinery and materials for those covered by the first agreement.²

The other two types of credits distinguished above are of a more short-term character designed to cover exceptional needs, and both are typified by the credits extended by the U.S.S.R. to eastern Germany in 1953 to cover essential requirements of food and raw materials in view of the difficulties experienced in eastern Germany at that time. The credit was in two parts, 350 million roubles (\$87.5 million) for imports from the U.S.S.R. and 135 million roubles (\$34 million) for imports from third countries. Repayment was to be made over a two-year period beginning in 1955. Similar emergency credits have been granted by the U.S.S.R. to other eastern European countries—for example to Hungary in 1952 to cover grain deliveries in order to relieve the food and fodder shortage resulting from the bad harvests at that time.³

Credits of a short-term character as described above have served to tide over temporary balance-of-payments difficulties and have been reflected in trade deficits by the borrowing country followed by export surpluses as repayment is effected. The equipment credits are also reflected in substantial trade deficits

over a longer period in the case of Poland,⁴ though the net balance during the borrowing period is reduced by the fact that it overlaps with the instalment payments on that part of the credit already utilized.

Though not mirrored in the current flow of trade, economic co-operation in the form of technical assistance has been even more widely developed than credit arrangements among the countries of the eastern trading group. There is now a whole network of agreements, in which the U.S.S.R. has taken the lead, whereby scientific and technical information, blueprints, patents and production experience are exchanged, and assistance is also rendered in planning and constructing new installations and in the training of skilled workers.

The Commodity Pattern of Trade

The most general characteristics of the commodity pattern of the trade of the eastern European countries and the U.S.S.R. are :

(1) The great increase in the importance of trade in machinery and equipment in exports and imports in keeping with the expansion of heavy industries and the growth both in demand for and ability to supply these goods ;

(2) Along with this, the expansion in requirements of industrial materials, particularly metals and minerals, as well as the continuing need for textile fibres and other raw materials for consumer goods industries ;

(3) Increases in fuel consumption, involving new flows of coal, petroleum and electricity.

(4) The drastic shift in the pattern of trade in food, the eastern European countries taken collectively now being net importers of grain, chiefly from the U.S.S.R., and possibly of foodstuffs in the aggregate.

An interesting, if only very partial, insight into some of these changes is provided by Table 65, showing that part of transit trade on the Danube passing through Yugoslavia as tabulated by the statistical services of that country. The previously heavy upstream movement of grain has greatly diminished since the war, and the greater part of the river traffic in both directions is now made up of ores, previously of negligible importance. The bulk of these shipments upstream

¹ The Agreement provided, however, that any part of the credit not used in any one year could be carried over to the following year. It is relevant to the point made on page 108 concerning methods of trade valuation to note the price formula employed in the Agreement, as given in *Sovietskoe Gosudarstvo i Pravo*, No. 6, 1953 : "The Agreement expressly specifies that the nomenclature, quantities, prices and dates of delivery of the equipment and materials shall be determined by special agreement between the two Parties, the prices being fixed on the basis of prices on the world markets... The Government of the Chinese People's Republic is to repay the credit, together with the interest thereon, by deliveries of raw materials, tea, gold and U.S. dollars ; the prices for raw materials and tea and their quantities and dates of delivery are to be determined by special agreement, the prices being calculated on the basis of prices on the world markets."

² Cf. A. Chistyakov, "The Development of Economic Co-operation between the Countries in the Socialist Camp", *Kommunist*, No. 15, 1954 (Moscow), pages 45-60.

³ Various other credits had also been granted by the U.S.S.R. earlier in the post-war period to cover deliveries of food and raw materials to eastern European countries.

⁴ This is borne out by the divergent movement of the index numbers available for imports and exports during the past several years. Presumably the same thing is true, on a smaller scale, in the case of mainland China, though indices are not available for its imports and exports separately.

Table 65

TRANSIT TRADE ON THE DANUBE THROUGH
YUGOSLAVIA

Thousands of tons

	1937	1948	1952	1953
<i>Upstream traffic :</i>				
Grain	645	63	158	232
Timber	39	—	74	77
Ores	164	495	856	967
Petroleum and products	660	155	176	103
Iron and steel	51	5	26	5
Other commodities	193	13	110	69
Total	1 752	731	1 400	1 453
of which from :				
Bulgaria to Czechoslovakia . .	14	45	203	188
Bulgaria to Hungary	3	13	99	106
Rumania to Czechoslovakia . .	574	146	269	188
Rumania to Hungary	291	25	82	83
U.S.S.R. to Czechoslovakia . .	—	383	471	688
U.S.S.R. to Hungary	—	64	245	118
Total ^a	882	676	1 369	1 371
<i>Downstream traffic :</i>				
Grain	99	12	—	—
Coal	17	23	61	95
Ores	—	271	531	503
Petroleum and products	—	112	336	189
Iron and steel	34	100	10	5
Other commodities	155	68	149	196
Total	305	586	1 087	988
of which from :				
Czechoslovakia to Bulgaria . .	40	51	140	155
Czechoslovakia to Rumania . .	27	18	80	62
Czechoslovakia to the U.S.S.R. .	—	243	242	114
Hungary to Bulgaria	7	24	19	18
Hungary to Rumania	118	18	23	22
Hungary to the U.S.S.R.	—	120	431	527
Total ^a	192	474	935	898

Sources : Savezni Zavod za statistiku i evidenciju, *Statistički Bilten*, Belgrade, God. 3 (1952), Serija B-VI, br. 13, "Saobracaj i Vaze 1937-1939 i 1946-1950 Godine, S. 25"; Hermann Gross: *Südosthandel und Donauverkehr*, Schriftenreihe des Seeverkehrsbeirats, Heft 6, Hamburg, 1954.

^a The totals shown for country distribution refer only to trade among eastern European countries passing Yugoslavia in upstream or downstream transit on the Danube. The larger totals given for the commodity distribution also include shipments from or to countries other than those specified.

consists of iron ore from the U.S.S.R. to Czechoslovakia and Hungary, while the downstream movement consists mainly of bauxite from Hungary to the U.S.S.R. On the other hand, the tonnage of petroleum and products shipped upstream from Rumania is less than one-sixth as large as in 1937, apparently now destined mainly for Czechoslovakia, while at the same time a small downstream traffic in oil has developed from production in the Soviet Zone of Austria.

The major changes listed above are, in some cases, only an accentuation of previous patterns rather than a complete reversal. Thus, at one extreme, eastern Germany and Czechoslovakia were already highly industrialized before the war, exporting mainly manufactures and importing raw materials and some foodstuffs.¹ The broad pattern remains the same, but seems to have become much more sharply delineated in each case as may be judged by the partial data given in Table 66, and it will also be seen that exports of manufactures by Czechoslovakia now consist far more than before of machinery and equipment and less of consumer goods.²

Rumania and Bulgaria showed the opposite trade structure in pre-war times, exporting mainly food and raw materials and importing chiefly manufactures. In the case of Bulgaria, this general pattern has been maintained with, however, two important changes: in place of consumer goods its imports of manufactures now consist overwhelmingly of machinery and equipment, while grain has almost disappeared from its exports and tobacco, fruits and vegetables have increased. In the case of Rumania, exports of industrial products have now assumed some importance, while its previously large exports of grain are now of only occasional and marginal significance, and here, too, imports of capital equipment have largely displaced imports of consumer manufactures. It is probably Poland and Hungary that have shown the most sweeping changes in the composition of their trade, both countries now importing rather than exporting grain, Poland in very large amounts, while engineering products enter much more heavily than before into both their imports and their exports.

First-hand data are lacking to show directly the commodity composition of the trade of the U.S.S.R. since the war. Its trade agreements as well as the structure of the exports and imports of its chief trading partners suggest, however, that the great change in the total volume and geographic distribution of its

¹ It is sometimes overlooked that the food-surplus areas of the eastern part of pre-war Germany lay east of the Oder-Neisse line, now incorporated in Poland, and that the part of the country now designated as eastern Germany was very heavily industrialized, becoming still more so during the war, and a food-deficit area in some years.

² Consumer goods other than foodstuffs made up 37 per cent of total Czechoslovak exports in 1937 and still accounted for 34 per cent in 1948 (shoes being especially important in exports at that time), but by 1953 their share had shrunk to only 15 per cent, the decline from prewar to post-war being concentrated on textiles and glassware as shown by the following data :

	Percentages of total exports		
	1937	1948	1953
Textiles	25.0	16.2	6.8
Glassware	6.6	6.3	3.1
Other consumer goods	5.2	11.5	5.1

Table 66

COMMODITY COMPOSITION OF FOREIGN TRADE OF EASTERN EUROPEAN COUNTRIES AND THE U.S.S.R.
Percentage distribution

Class of goods	U.S.S.R.		East Germany 1953	Czecho- slovakia		Poland		Hungary		Rumania		Bulgaria	
	1937	1953		1937	1953	1937	1953	1937	1953	1937	1953	1937	1952
Imports													
Food	10	..	41	13	29	9	..	6	..	4	..	2	2
Raw materials and semi-finished goods	45	..	39	57	..	63	43 ^c	57	..	18	..	27	21
Manufactures	45	..	20	30	..	28	..	37	..	78	..	71	77
of which:													
Machinery and equipment	11	28-30 ^b	4-5 ^b	9	10-13 ^b	14	40	8	18-21 ^b	23	43-49 ^b	31	45 ^d
Exports													
Food	26	..	2	8	..	32	..	57	25	41	..	49	47
Raw materials and semi-finished goods	56	..	17	20	..	58	..	13	..	58	..	47	48
Manufactures	18	..	81	72	..	10	20 ^c	30	..	1	18	4	5
of which:													
Machinery and equipment	—	7- ^e	63-72 ^b	6	40	1	12	9	40	—	8-13 ^b	—	..

Sources: For 1937, *International Trade Statistics 1937 and 1938*, League of Nations, Geneva, 1938 and 1939. For post-war years, see Appendix B.

^a Including Estonia, Latvia and Lithuania.

^b Derived from the estimates given in Table 67.

^c 1952.

^d 1951.

^e See footnote ^c to Table 67.

trade have not been accompanied by such sweeping shifts in its commodity structure, except that trade both ways in capital equipment and imports of consumer goods now play a larger role than before the war.

Trade in Machinery and Equipment

The impressive part played by machinery and equipment in the trade of the eastern world market is clear from the fact that these products now make up more than one-third of total exports moving within this group of countries,¹ compared with a share of about one-seventh of exports in the western world market.² From the estimates given in Table 67 it would appear that eastern Germany was already by 1953 by far the largest supplier of capital goods on the eastern

¹ Cf. A. Chistyakov, *op. cit.*, page 56. This share, which literally refers to the "total trade of the countries in the Socialist camp" would indicate a figure of approximately \$2.1 billion, if applied to the total exports to one another of all the countries in the group, including mainland China. But, if applied to the exports of the U.S.S.R. and the eastern European countries only (mainland China not being so far an exporter of these goods), the implied figure for machinery and equipment is about \$1.8 billion, a figure only slightly higher than the sum of the estimates given in Table 67. For the reasons given in footnote ^c of that table, this estimate may be too low.

² Cf. *International Trade, 1953*, G.A.T.T. Geneva, June 1954, page 140.

European market,³ while the U.S.S.R. stands out as the largest importer in the group. Trade directly between the two accounts, moreover, for at least one-half of eastern Germany's exports and of the U.S.S.R.'s imports of machinery and equipment.

Czechoslovakia and Hungary are also important suppliers of capital goods on the eastern world markets, and in both cases a large part of their exports goes to the U.S.S.R., the rest being distributed among the other countries of the group.

While Poland and Rumania have developed their exports of machinery and equipment to the U.S.S.R. as well as to other countries in the area, these exports are substantially exceeded by their imports, Poland ranking as the principal importing country next to the U.S.S.R., and being, partly because of the equipment credit described above, the largest importer of these goods from the U.S.S.R. among the eastern European countries. Mainland China is, however,

³ It is not possible to be altogether firm with regard to the relative rank of the countries in the table as exporters of machinery and equipment in view of the uncertainty arising with respect to the size of Soviet exports of these items for reasons indicated in the footnote to Table 67. On the other hand, it should be noted that the figures for exports by eastern Germany do not include reparations deliveries (consisting mainly of machinery and equipment) to the U.S.S.R., which were terminated at the end of 1953.

Table 67

TRADE OF THE EASTERN WORLD MARKET IN MACHINERY AND EQUIPMENT IN 1953 ^a

Millions of current dollars

Countries of the eastern world market	Trade within the group			Trade with western European countries		
	Exports	Imports	Balance	Exports ^b	Imports	Balance
U.S.S.R.	200- ^c	700-750	-500-550	4	107	-103
Eastern Germany	700-800	25-40	+660-775	24	16	+ 8
Czechoslovakia	320-360	80-100	+220-280	20	17	+ 3
Hungary	175-200	75-90	+ 85-125	4	11	- 7
Poland	80-100	250-275	-150-195	—	51	- 51
Rumania	25-40	120-140	- 80-115	—	16	- 16
Bulgaria	—	70-85	- 70-85	—	4	- 4
Other countries of the group ^d	—	180-220	-180-220	—	12	- 12
Total	1 500-1 700 ^c	1 500-1 700 ^c	—	52	234	-182

Sources : See Appendix B.

NOTE.— For qualifications regarding the approximate character of figures on trade within Group I, see the special note on page 108. Data on trade with western Europe are from the trade statistics of western European countries (with the result that the figures show "f.o.b." values for imports and "c.i.f." values for exports).

^a Includes machinery of all kinds, machine-tools, mining and oil-drilling equipment, construction equipment, power generators, switch gear and other electric apparatus and appliances: precision and optical instruments; railway and road vehicles, aircraft, and ships and boats.

^b In addition, the eastern European countries and the U.S.S.R. are exporting increasing quantities of machinery and equipment to overseas countries.

^c The figure of \$200 million may be taken either as a kind of minimum or, alternatively, as representing total Soviet exports of machinery and equipment in 1953 to the eastern world market, depending upon the meaning to be attached to various official Soviet statements on the subject. The

figure seems to come originally from Mr. A. I. Mikoyan, the Vice-Chairman of the Council of Ministers and, at that time, Minister for Domestic Trade, who stated as follows in a speech at a meeting of electors of the Everan-Stalinsko electoral division in Everan on 11 March 1954: "Our supplies of machinery and equipment for undertakings built in the democratic countries to Soviet design are estimated at nearly 800 million roubles for 1953 alone". The same figure has subsequently appeared, however, in various official publications of the U.S.S.R. and other eastern European countries in a much broader sense: for instance, *Vneshnyaya Torgovlya*, official organ of the Ministry of Foreign Trade of the U.S.S.R., stated as follows in its issue No. 11, 1954: "In 1953 alone, the U.S.S.R. delivered to the countries of the People's Democracies machinery and equipment to a value of about 800 roubles." In view of the narrower definition of the figure implied by Mr. Mikoyan's original statement, and in spite of the wide publicity given to the figure in its broader interpretation, it may considerably under-state the total value of Soviet exports of machinery and equipment to the eastern world market in 1953.

^d Mainland China, Mongolia, North Korea, and Albania.

the largest importer of Soviet equipment, credits here also playing an important role in financing the trade, and has become a major market for eastern Germany as well.

Both eastern Germany and Czechoslovakia have significant exports of machinery and equipment to countries outside the group, but the area as a whole is a net importer of machinery and equipment from western Europe despite the narrowing of choice caused by strategic controls in the west over many key items. In 1953, the U.S.S.R. took approximately one-half, and Poland about one-quarter, of the total of more than \$200 million.

So far, it is in the field of engineering goods that, as further discussed in Section 4, specialization seems to have been most developed among the eastern European countries. This represents in part the further development of branches of production which, in some countries, had already been well established before the war. Thus, eastern Germany was already a major producer of a wide variety of capital goods, including machine-tools, electric-generating equipment,

switch-gear and transformers, precision instruments and optical goods,¹ while Czechoslovakia had long experience in the production of machine-tools, power plants and motor vehicles as well as other engineering products, and Hungary had developed some specialization in the production of Diesel locomotives, electrical apparatus and combination river-ocean-going barges. These branches have been further developed and expanded in recent years, while, among the more recently industrialized countries of the region, Poland has developed capacity for the production of railway rolling-stock and mining equipment in particular, and Rumania now produces, for its own needs as well as for export, oil-drilling equipment and pipes and tubes. Special agreements among some of the eastern European countries have called for further specialization

¹ Eastern Germany was in addition a major supplier of machinery for the light industries (especially the textile, food-processing and leather-processing branches), which may assume growing importance in future trade within the region in view of the increased attention being given to the development of production of consumer goods. Czechoslovakia was an important producer of equipment for sugar-refineries, breweries, distilleries and textile factories.

in some of these branches. For instance, Rumania has developed capacity for producing one particular type of heavy-duty tractor, of which 331 units were exported in the first half of 1954, while relying on imports of other types, and an agreement between Rumania and Hungary provides for the interchange of different types of ball bearings which they produce.

The U.S.S.R., on its side, exports complete equipment for a whole series of industrial installations, as provided for in its credit arrangements with Poland and mainland China, and is also a main source of supply for oil-drilling and coal-mining equipment, heavy construction equipment, tractors and other farm machinery, motor cars and lorries, as well as other engineering goods. Its own huge development plans, on the other hand, make the U.S.S.R. itself a vast market for virtually all types of products of the engineering industries of the other countries of the region. The improvement of its transportation facilities, for instance, takes up a major part of their output of railway rolling-stock and other transport equipment.

Shipping needs have assumed particular importance with the expansion of the trade of the U.S.S.R. and the eastern European countries with China and with other countries outside the group. Eastern Germany and Poland are the main suppliers of the larger types of ships in the region, the former exporting to the U.S.S.R. about three-quarters of its total output of ocean-going vessels and marine equipment. Orders by the U.S.S.R. have been placed in the other eastern European countries as well, though mainly for fishing boats and smaller vessels to be used on rivers and inland waterways. Hungary, for instance, is currently producing for the U.S.S.R. eleven barges of 1,100 tons capacity each.

As part of the programme for expanding and modernizing its merchant fleet,¹ the U.S.S.R. has also substantially increased its orders placed with western European shipyards. The trade agreements for 1954 included around 100 seagoing vessels, though orders for tankers have been refused or cancelled in western European countries under their export licensing procedures. Soviet orders for ships and boats of various types have also been placed in Japan.

Trade in Industrial Materials

The Soviet export pattern is now largely geared to feed the rapidly growing eastern European industry

with raw materials. Whereas the bulk of the Soviet deliveries goes to the heavy industries, raw materials for the light industries also play a large role, particularly cotton.

According to the estimates in Table 68, more than half the total requirements of iron ore in the eastern European steel industries is met by Soviet exports; the gross weight of these shipments amounts to around 10 million tons. Part of this iron ore is shipped on canals and rivers, mainly the Danube, but the bulk of the exports is hauled long distances by rail at great cost.

In addition to Soviet iron ore, Czechoslovakia and Poland import substantial quantities from countries outside the region. Thus, Poland takes iron ore from Sweden in exchange for coal. Difficulties in the operation of the Polish-Swedish trade agreement and the switch to other forms of energy in Sweden have, however, reduced this two-way exchange, and Poland's imports of Swedish iron ore have declined during the last several years. Similarly, Czechoslovak imports of iron ore from Sweden have fallen to almost nothing. During the last few years, Czechoslovakia has imported substantial quantities of iron ore from India, and in 1954 Poland exchanged 200,000 tons of coal for 300,000 tons of Spanish iron ore.

Apart from iron ore, steel materials are exported from the U.S.S.R. in the form of scrap, pig-iron and crude and semi-finished steel. Much of the materials exported is re-imported by the U.S.S.R. in the form of machinery and industrial equipment. In addition, the U.S.S.R. is the main supplier to eastern Europe of such raw materials as manganese and chrome ores, phosphate of lime and non-ferrous metals.

Although the U.S.S.R. is the main supplier of raw materials, several other eastern European countries have resources of importance for the region. Thus, Poland provides zinc and heavy chemicals; Hungary exports bauxite and aluminium; Bulgaria supplies lead and zinc concentrates, as well as raw hides and leather; Albania exports chrome ore; Rumania is an important source for timber. Apart from materials for the ceramic industries, Czechoslovakia exports few raw materials, but its deliveries of semi-finished steel are considerable.

Soviet cotton accounts for three-fourths of total eastern European consumption at, however, a still insufficient level of satisfaction of needs. Imports by the U.S.S.R. and eastern Europe from the western world consist overwhelmingly of long-staple cotton from Egypt. The bulk of wool supplies is also met from within the region, or such neighbouring countries as Afghanistan, although substantial quantities of high quality wool are imported from the western world.

¹ It is estimated that the total Soviet merchant fleet increased by about 250,000 tons in 1954, bringing the total tonnage to around 2.5 million tons, of which one-half is more than 25 years old. Cf. *The Financial Times*, London, 15 October 1954.

Table 68

PRODUCTION OF SELECTED RAW MATERIALS AND FOODSTUFFS
IN EASTERN EUROPEAN COUNTRIES AND THE U.S.S.R.
AND NET TRADE WITH THE TWO WORLD MARKETS

Commodity and country or region	Production		Net trade with eastern world market		Net trade with western world market	
	1934-38	1951-53	1935-38	1951-53	1935-38	1951-53
Iron ore (millions of tons of Fe content)						
U.S.S.R. ^a	13.1	28.1	—	— 3.1	—	—
Eastern Europe	0.9	1.9	—	+ 3.1	— 2.3	+ 1.0
of which: Eastern Germany	0.1	0.2	—	+ 0.5	+ 0.6	—
Czechoslovakia	0.4	0.7	—	+ 1.3	+ 0.9	+ 0.4
Poland	0.3	0.4	—	+ 0.9	+ 0.5	+ 0.6
Hard coal^b (millions of tons)						
U.S.S.R. ^a	116.4 ^c	300.7 ^c	—	+ 7.0	— 0.5	— 0.5
Eastern Europe	50.2	110.7	—	— 7.0	— 10.4	— 8.3
of which: Eastern Germany	3.6	3.0	—	+ 4.3	—	—
Czechoslovakia	12.9	19.3	—	+ 5.3	— 0.8	— 0.4
Poland ^d	32.4	85.0	—0.2	— 17.2	— 10.0	— 7.9
Petroleum^e (millions of tons)						
U.S.S.R. ^a	26.7	47.2	—	..	— 2.3	— 0.4 ^f
Eastern Europe	8.1	9.4	—	..	— 5.3	— 0.7 ^f
of which: Rumania	7.9	8.1	—0.6	— 6.0	— 5.4	— 0.6
Timber^g (millions of cubic metres in round-wood equivalent)						
U.S.S.R. ^a	..	..	—	..	— 10.0	— 0.3 ^h
Eastern Europe	..	..	—	..	— 3.6	— 0.9
of which: Poland	..	..	—	..	— 2.6	— 0.4
Rumania	..	..	—0.4	..	— 1.8	— 0.1
Cotton (thousands of tons)						
U.S.S.R. ^a	645	1 100	—	—230	+ 25	+15
Eastern Europe	7	30	—	+230	+285	+45
of which: Czechoslovakia	—	—	—	..	+ 85	+20
Grainⁱ (millions of tons)						
U.S.S.R. ^a	84.2	107.7	—	— 2.5	— 1.2	— 1.6
Eastern Europe	42.8	37.5	—	+ 2.5	— 3.0	— 0.3 ^j
of which: Eastern Germany	6.5	5.8	—	+ 1.2	— ^k	—
Czechoslovakia	5.6	4.8	+0.1	+ 1.1	—	—
Poland	13.3	10.9	—	+ 0.3	— 0.7	—
Hungary	6.1	5.6	+0.1	..	— 0.6	— 0.1
Rumania	7.9	5.5	—0.2	..	— 1.4	— 0.1
Sugar^l (millions of tons)						
U.S.S.R. ^a	2.1	3.4	—	+ 0.9	—	— 0.1
Eastern Europe	2.1	2.7	—	— 0.9	— 0.3	— 0.2
of which: Eastern Germany	0.8	0.8	—	— 0.3	—	—
Czechoslovakia	0.6	0.6	—	— 0.2	— 0.2	— 0.1
Poland	0.5 ^m	0.9	—	— 0.3	—	— 0.1

Sources: See Appendix B.

NOTE. — Pre-war figures refer to pre-war territories and post-war figures to post-war territories, except in the case of the U.S.S.R. and eastern Germany. Pre-war trade between eastern Germany and other parts of Germany is excluded.

The minus sign indicates an export surplus and the plus sign an import surplus.

^a Pre-war figures include Estonia, Latvia and Lithuania.

^b Trade figures include coke.

^c Including small quantities of lignite.

^d Production in 1937 on post-war territory amounted to 66.0 million tons.

^e Excluding synthetic fuel. Trade figures refer to years 1952 and 1953.

^f Exports to the U.S.S.R. and eastern Europe from the Soviet-owned petroleum industry in Austria are excluded.

^g Figures refer to coniferous wood only.

^h The U.S.S.R. exported 1.3 million m³ to western Europe, while at the same time importing 1.0 million m³, mainly from Finland.

ⁱ The figures refer to harvest years 1934/35–1938/39 and 1951/52–1953/54.

In 1953/54 imports of grain into eastern Europe from the western world market amounted to 0.5 million tons.

^k During this period the area now constituting eastern Germany exported grain to the western part of Germany, in 1936 around 1 million tons.

^l All figures in terms of refined sugar.

^m Production in 1937 on post-war territory amounted to 0.9 million tons.

Staple fibre is another textile material imported from the west. Although the area has a substantial production of synthetic rubber, great quantities of the natural product are imported either directly or, in the case of the U.S.S.R., also via China.

Trade in Fuels

Poland is the main exporter of coal and coke in the area, supplying the other countries with around 17 million tons annually. Almost half of this is delivered to the U.S.S.R., much of it under an agreement of 1945 fixing quantities and prices in return for the relinquishment of Soviet claims to German assets in Poland and for a share in reparation deliveries from Germany. Czechoslovakia and eastern Germany are the other chief markets for Polish coal. Although the U.S.S.R. exports increasing quantities of coke to eastern Europe, it is nevertheless a net importer of hard fuel.

The U.S.S.R. and Rumania are the major producers of petroleum and supply petroleum products to the other countries of the region, except Hungary, which has its own production. Albanian petroleum production has also been stepped up and the country exports sizeable quantities to other parts of the region. Of the Rumanian petroleum production, which has risen very fast in recent years, the major share is exported. The Rumanian petroleum industry is owned by a joint Soviet-Rumanian company, each partner being entitled to one-half of the annual production. Of the Soviet share a considerable portion is sent to the U.S.S.R., and the rest is exported to other eastern European countries and also to the western world. Additional supplies are received from the Soviet-owned petroleum industry in Lower Austria.

Whereas Polish coal exports to countries outside the region have tended to fall year by year, from a maximum of 13 million tons in 1948 to only 7 million tons in 1953, Soviet and Rumanian petroleum exports have lately started to rise after a long interruption. The reason for this shift is, on the one hand, the increasing demand for coal by the rapidly growing industries of Poland and other eastern European countries and, on the other, the recovery of Rumanian oil production to a level higher than the peak pre-war output.

Foodstuffs and Other Consumer Goods

Whereas Bulgaria, Hungary, Rumania and Poland exported annually around 3 million tons of grain before the war, mainly to western Europe, post-war exports to countries outside the area have amounted to only a few hundred thousands tons a year. At the

same time, the more industrialized countries, Czechoslovakia and eastern Germany, are now much more dependent on imported food than they were before the war. Thus, food accounted for 13 per cent of Czechoslovak imports in 1937 and as much as 29 per cent in 1953. The main increase has been in grain, of which Czechoslovakia now imports rather more than 1 million tons a year. Eastern Germany imports even more—between 1 and 1.5 million tons of grain annually—and during the last few years Poland has also become a heavy buyer of grain. Exports from Hungary and Rumania to other eastern European countries have been erratic, and in certain years they have even been net importers.

The U.S.S.R. has emerged as the main grain exporter of the region, not only supplying the eastern European countries with between 2 and 3 million tons of grain annually but also exporting greater quantities to the western world than before the war.

Intra-regional trade in other foodstuffs is also growing in importance. As is shown in Table 68, the U.S.S.R. imports something like 1 million tons of sugar from eastern Europe, mainly from Czechoslovakia, eastern Germany and Poland. The region as a whole is, however, a net exporter, even the U.S.S.R. exporting substantial quantities to western Europe. Poland is, in fact, the biggest sugar exporter in Europe. Other foodstuffs entering into intra-eastern trade are meat and poultry from Poland and Hungary and vegetables, fruit and tobacco from Bulgaria. The U.S.S.R. itself exports a variety of products, including butter, meat, rice and tea, much of which offsets, or re-directs, Soviet imports of these goods from western countries as well as from China.

Trade in foodstuffs with countries outside the region was very important, up to 1953 mainly in the form of exports. In addition to Soviet grain, bacon and eggs (exported mainly by Poland to the United Kingdom), hops and tobacco are of importance. Recently, however, the flow has changed, and eastern Europe is coming close to being a net importer of foodstuffs in trade with other regions. Its imports are concentrated on dairy products, fish and meat, but citrus fruit, coffee and cocoa are of growing importance.

Before the war, manufactured consumer goods played a relatively important role in the exports of certain eastern European countries.¹ Still in 1948

¹ An indication of the pre-war importance of eastern Germany as a supplier of consumer goods is the fact that in 1936 around 60 per cent of total German production in the wool industry, 63 per cent of the hosiery production and 37 per cent of the production of ceramics and glassware were located in the area of present eastern Germany, which at the same time had only 22 per cent of the population.

great quantities of such goods as textiles, shoes, glassware and pottery were exported from Czechoslovakia (see footnote 2, page 116), Poland¹ and Hungary. At present the share of these products in exports is lower than both before the war or in the early post-war years particularly with regard to trade with countries outside the region: in 1953 only 5 or 6 per cent of total eastern European exports to western Europe could be classified as manufactured consumer goods, coming chiefly from Czechoslovakia.

Consumer manufactures figure to a significant extent in trade within the region. Czechoslovakia and Poland export textiles, shoes, glassware, porcelain, furniture and other consumer goods to the U.S.S.R.

¹ In 1948 textiles, glass and paper accounted for about 40 per cent of Polish exports to the U.S.S.R.

3. RECENT TRENDS IN TRADE

The implications of the new emphasis on international trade in eastern Europe are perhaps more clearly visible in its trade with the rest of the world than in trade within the region.²

For the latter, two other developments would seem to be of more immediate importance because of the large amount of resources directly affected. One of these is the end of east German reparation deliveries to the U.S.S.R.³ This step immediately set free for commercial deliveries the major part of the export capacity previously absorbed by reparations. The magnitude of this potential addition to east German exports can be estimated at around \$500 million, or almost 50 per cent of commercial exports in 1953,⁴ though some of this may be used at home. This relief was in fact the background to the planned increase of 30 per cent over the 1953 volume in the foreign trade turnover of eastern Germany in 1954.

As was the case when reparation deliveries by Finland, Hungary and Rumania came to an end, it is likely that the U.S.S.R. will remain the chief market for these products, since in many cases production has been developed or expanded specifically to meet Soviet requirements. Thus, in June 1954, eastern Germany signed an additional trade agreement

and to other eastern European countries, and also Hungary, Rumania and Bulgaria have certain exports of textiles. Bulgaria is a supplier of cigarettes. In eastern Germany consumption goods seem to account for only a small share of exports, but the present export drive aims at increasing sales of such goods as ceramics, toys and textiles.

In many cases, trade in consumer goods with the U.S.S.R. is based on raw materials which it supplies. The importance of the U.S.S.R. as a market is indicated by the fact that its plan for 1953 provided for imports of consumer goods, including foodstuffs, to a value of 4 billion roubles, or one-third of total Soviet imports in that year. Two-thirds of these consumer goods imports were to come from other countries of the region.

for the delivery of electro-technical and other equipment and optical and precision instruments to a value of \$133 million in exchange for rolled steel, coal, coke, wool and chemicals.

The second major change of immediate consequence for intra-eastern trade was the agreements in 1954 for the sale of the Soviet shares in the mixed companies established after the war in Bulgaria, Hungary and Rumania, an exception being made, however, for Sovrompetrol, which owns the Rumanian petroleum industry. These companies had been created by pooling German assets taken over by the U.S.S.R. as war booty and national resources contributed by the countries concerned, resulting in an equal participation. Partly as the result of technical assistance and other forms of economic co-operation extended by the U.S.S.R., the enterprises now taken over by the countries themselves have been developed and expanded during the time of Soviet participation in the management. Here, too, the post-war settlements have had an important and probably lasting effect on the structure of production and trade since, as noted in the case of the Rumanian petroleum industry, the two partners have been entitled to dispose in equal parts of the output of the companies in question. Also in China, the U.S.S.R. sold during 1954 its shares in the mixed companies set up in 1950 and 1951, and at the beginning of 1954 eastern Germany received back, without charge, 33 purely Soviet companies (the so-called S.A.G.).⁵ In Finland, too, the U.S.S.R.

² This lack of more visible results in intra-eastern trade is perhaps due in large part simply to the general absence of detailed statistics and of data for 1954 in particular.

³ The decision was taken in conjunction with Poland which, according to the 1945 agreement, was allotted 15 per cent of the German reparation deliveries to the U.S.S.R. It might be inferred from this that also the Polish undertaking to supply the U.S.S.R. with coal at very low prices was cancelled, though no announcement has been made.

⁴ In the reparations settlement of 1950, the U.S.S.R. had scaled down deliveries to \$210 million a year at 1938 prices.

⁵ At the same time, liabilities were remitted on the previous transfer of 66 Soviet enterprises to east German ownership. On the other hand, the formerly Soviet-owned Wismut A.G. which exploits the uranium mines in Saxony was transformed into a Soviet-German mixed company.

has lately started to liquidate certain ex-German holdings in trading and industrial enterprises.

Payments for the Soviet shares in the mixed companies are scheduled in annual instalments over an unspecified period of years. Though data are not available on the total sales value or on the amount of the annuities, the general importance of the companies in the economies of the countries concerned indicates that this repatriation of Soviet capital from the area will have important effects on trade. In particular,

Hungary, Rumania and Bulgaria may be expected to develop a sizeable surplus of exports to the U.S.S.R., over the next several years, except in so far as the payments may be offset by new Soviet investments in these countries.

While data are not yet available to show the effects of these, or of other new measures, on trade within the eastern world market, the effects of the efforts which have been made to expand trade with the western world market are reflected in Table 69,

showing a rise of 22 per cent in East-West trade in Europe during the first nine months of 1954 compared with the same period of 1953.¹ In the case of the U.S.S.R. in particular, trade with the western world accounted for more than a proportionate share in the rise of 30 per cent in its total trade, including that with the eastern group, during the first half of 1954.²

The increase in trade with overseas, particularly under-developed, countries may have been greater than that in trade with western Europe. Thus, Czechoslovakia reports an increase of 27 per cent in trade with the western world, and an increase of 50 per cent in trade with under-developed overseas countries alone, between January-September 1953 and the same period of 1954.

The most important of the recent trade agreements between the U.S.S.R. and overseas countries is the one signed with Argentina in August 1953, covering total exchanges of \$150 million plus Soviet deliveries of industrial equipment on credit worth \$30 million. In

¹ Since, however, the expansion started in the latter part of 1953, it is unlikely that the same rate of increase will be shown for the last quarter or for the year as a whole.

² In Table L the trade between the U.S.S.R. and individual western European countries is given by main commodities during the year 1953 and the first six months of 1954.

Table 69

RECENT DEVELOPMENTS IN EAST-WEST EUROPEAN TRADE

Millions of current dollars ; January to September of each year

Country	Imports into western European countries (c.i.f.)		Exports from western European countries (f.o.b.)	
	1953 I-III	1954 I-III	1953 I-III	1954 I-III
<i>Western European countries :</i>				
Finland ^a	133	126	119	135
United Kingdom ^b	146	148	29	45
Western Germany ^c	43	56	35	54
France ^a	29	49	34	51
Sweden	40	48	46	51
Netherlands	34	35	33	61
Italy	33	43	38	41
Belgium-Luxembourg	27	36	46	48
Denmark	27	32	24	50
Austria	44	38	40	41
Turkey	20	27	22	45
Norway	23	33	21	34
Switzerland	23	27	24	25
Iceland	3	9	5	8
Four other countries ^d	4	7	10	11
Total	629	714	526	700
	Exports from eastern European countries (c.i.f.)		Imports into eastern European countries (f.o.b.)	
	1953 I-III	1954 I-III	1953 I-III	1954 I-III
<i>Eastern European countries :</i>				
U.S.S.R.	220	282	184	286
Poland	170	150	117	124
Czechoslovakia	97	101	53	85
Eastern Germany ^e	58	80	57	94
Hungary	28	36	50	70
Rumania	38	44	48	26
Bulgaria	18	21	17	15
Total	629	714	526	700

Source : National trade statistics of the western European countries.

^a Excluding non-monetary gold.

^b General imports; exports excluding re-exports.

^c Excluding trade with eastern Germany which, in millions of dollars, amounts to: imports 42 and 71, exports 35 and 68 respectively.

^d Greece, Ireland, Portugal and Spain.

^e Excluding trade with western Germany.

other instances, also, Soviet trade offers have been accompanied by an undertaking to deliver capital goods on credit. In 1954 the U.S.S.R. offered to build and equip a complete steel mill in India, with a capacity of half-a-million tons of steel, and to finance the construction of the enterprise by a loan of \$160 million to be repaid in 10 to 15 years and bearing interest at 2 per cent. Similar equipment credits have been offered to under-developed countries by Czechoslovakia and eastern Germany.

This recent expansion in trade with countries outside the region seems, on the import side, to be concentrated on food and raw materials for the light industries. Particularly great increases have been reported, and are planned, for textile fibres, hides and tobacco. Thus, the recent trends are in tune with the announced policy to improve consumption standards within the region. Since, however, capacity in the consumption goods industries is unevenly distributed between the countries, the increased supplies of raw materials can also be expected to raise trade in manufactured consumer goods within the region.

Imports of butter and fish into the eastern European countries increased in 1953, when the east German food shortages caused a sharp upturn in butter imports, partly via the U.S.S.R.¹ In 1954, imports of meat, particularly into the U.S.S.R. and from overseas countries like Uruguay and Argentina, have expanded rapidly. Soviet imports for the year as a whole were expected to reach around 110,000 tons, making the U.S.S.R. the third largest meat importer in the world, exceeded only by the United Kingdom and the United States, and its imports of butter and cheese were expected to total about 75,000 tons. Again in 1954, however, imports of both meat and butter have apparently not, as it appeared when this trade first began to develop, formed a net addition in equal amounts to Soviet consumption, but seem rather to have been contracted for with a view to relieving the supply position in other eastern European countries, especially eastern Germany.²

Whereas eastern European exports to overseas countries, particularly the under-developed ones, are concentrated on such items as machinery, industrial equipment, and steel, exports to western Europe continue to be made up chiefly of food and raw materials. In this area, the tendencies which were

observed in 1953 continued to operate in 1954. Thus, western European imports of coal and coke from eastern Europe (by far the greater part of which came from Poland) fell further from 8.8 million tons in 1953 to 8 million tons in 1954. Deliveries of petroleum from the U.S.S.R. and Rumania, on the other hand, which rose to a total of around 1.5 million tons in 1953, continued to expand rapidly to about 4 million tons in 1954.

A similar divergent movement occurred in exports of grain and timber. Grain deliveries from eastern to western Europe have continued to diminish and reached only 1.4 million tons during 1953/54 compared with 2 million tons during the previous crop year, and are likely to remain on the lower level in 1954/55. There have even been sizeable imports of bread grain into Hungary and Poland from countries such as Sweden, France and Argentina. Timber exports, on the other hand, are expanding further; during the period January to September 1954, western European imports from eastern Europe of sawn softwood reached 290,000 standards compared with 230,000 standards during the same period of 1953.

The continued decline in the two predominant exports, grain and coal, has thus been counteracted by an expansion in other staple commodities rather than in manufactures. Only eastern Germany has been able to increase substantially its exports of engineering goods to western Europe.³ To a greater extent than previously, eastern European countries are concentrating their efforts on developing trade relations with under-developed overseas countries, which provide a source of food and raw materials and at the same time a market for eastern European machinery and equipment.

The efforts to raise East-West European trade from its still very low level have, however, continued through the trade consultations organized under the United Nations Economic Commission for Europe, the development of trade contacts by other means, and the conclusion of new trade agreements. At the same time as previous East-West European trade agreements were renewed and, in many cases, expanded in 1954,⁴ the network of agreements received a further

¹ In January 1954, however, the United States Government turned down a Soviet offer to buy around 60,000 tons of butter from its stocks at \$1.10 a kg. the reason given being that the price offered was too low, 25 per cent below the support price, and 60 per cent below the United States retail price.

² The U.S.S.R. is also recently reported to account for 85 per cent of Czechoslovakia's total butter imports, but the quantities involved are not specified.

³ With a view to increasing foreign trade, the east German Government introduced in April 1954 a system with an export bonus in foreign exchange (or inter-zonal accounting units) to all manufacturing enterprises participating in export or inter-zonal trade. This bonus can be used to purchase raw materials or equipment as well as to meet expenditure involved in participation at trade fairs, advertisements, travel, and similar purposes.

⁴ Cf. *Economic Bulletin for Europe*, Vol. 6, No. 2, pages 55-63, for a list and summary of provisions of trade agreements between eastern and western European countries in force in June 1954, which covers most of the agreements entered into for the year.

significant addition with the conclusion, in early 1955, of an agreement between the U.S.S.R. and Yugoslavia¹ while negotiations were proceeding with eastern European countries, after an interruption since 1948. Albania also renewed trade contacts with the west by signing its first post-war trade agreement with Italy in December 1954.

¹ On 5 January 1955, a trade agreement between the Soviet Union and Yugoslavia was signed in Moscow, providing for a trade turnover of \$20 million. Yugoslavia will export meat and meat products, tobacco, hemp, soda, and textile products, and will import from the U.S.S.R. cotton, crude oil, petrol, newsprint and other commodities.

4. THE CHANGING ROLE OF TRADE IN ECONOMIC DEVELOPMENT POLICIES

Earlier Views on Foreign Trade

It is symptomatic of the new policy phase in the foreign trade of eastern European countries that increased attention is being given to comparative costs of production and to the benefits of greater international specialization. Until recently questions of comparative costs have only rarely been mentioned in policy statements or theoretical writings, and do not appear to have been a major preoccupation in the establishment of the economic development plans of these countries.

In principle, the public authorities in a planned economy are in a better position than private entrepreneurs in a free market economy to take full account, in making investment decisions, of the total costs, including social costs, of manufacturing given products at home compared with the costs of obtaining them through foreign trade in exchange for other export products. And the incentive for making such cost comparisons might be expected to be greater in a planned economy, especially under conditions of rapid expansion, because of a bias in favour of imports, exports obviously being only a means to an end rather than, as often appears to be the case in a free market economy, an end in themselves.

Two reasons may be suggested why, nevertheless, eastern European countries have hitherto seemed to attach little importance to international comparisons of production costs in determining their development policies. One is that the planning of all the details of a production programme would be an intricate and exacting task even in the hypothetical "closed economy". It is a much greater task if account must be taken of relative costs of production and alternative patterns of resource allocation in other countries, even if the trading partners are also planned economies

On the western side, an important step towards easing trade relations with the eastern world was taken in August 1954 by a relaxation of strategic controls. In the United Kingdom, during the six months ending early in November 1954, licences for the export of machine-tools to the U.S.S.R. to a value of \$30 million had been granted, which corresponded to 116 out of the 150 licences outstanding on 6 July. In the United States, the interest in the eastern world market has become stronger, and during the first half of 1954 export licences to a value of \$7 million were approved compared with only \$0.5 million during the first half of 1953.

subscribing to the same objectives. Still greater problems arise if the comparison is extended to private enterprise economies where investment decisions are more widely dispersed, prices and costs fluctuate more freely, and markets are deemed less stable and assured by countries with planned economies. The very fact of planning thus tends, as generally recognized, to create a certain predisposition in favour of national self-sufficiency.²

The second reason is that the countries of eastern Europe regard industrialization as the necessary way towards a rise in productivity and living standards. They have aimed not simply at rapid industrialization but more specifically at a "balanced economic development", this principle being regarded as one of the fundamental laws governing their economies. This means that, in addition to the development of those types of primary production for which their natural resources are particularly suited, they have wanted to create an industrial structure adequately developed in all its main branches.³ The economic development plans of eastern European countries thus show a broad similarity of objectives, and they all repudiate the view that certain countries are inevitably destined for primary production only or for the development of narrowly restricted types of industry.

² Additional complications in making international cost comparisons arise when, as in the eastern European countries, domestic prices vary to a greater or lesser extent both from the prices employed in their trade with one another and from prices ruling in their trade with the rest of the world. This means that, if a rational co-ordination and pattern of resource use is to be achieved, price quotations in the countries concerned cannot be taken simply as given to form a basis for joint planning, but the planning authorities must get together and make careful studies of their comparative real costs.

³ This objective is sought not only for each of the various national economies as a whole, but also, as noted in Chapter 6, for each of the main regions within countries.

This approach, if not pushed to the extreme, can offer very great advantages in that it does not allow economic development to be blocked, as frequently happens in other countries, by too static and limited a view of comparative costs. It recognizes that real costs are less than apparent costs, if employment is thereby given to labour which would otherwise be idle, and it proceeds on the implicit assumption that any existing cost disadvantages will be more or less eliminated in future as a balanced industrial structure is built up together with adequate supplies of skilled labour, transportation and power facilities, and other external economies.¹ This approach, moreover, need not preclude a high degree of national specialization within particular branches of industry and, correspondingly, an active international exchange of industrial products.²

The point is that such specialization, if it is to be developed, must be definitely planned under conditions where every other detail of the national economy is planned, whereas, in practice, the plans of the eastern European countries do not appear, so far, to have been very closely co-ordinated with this objective in view.

It is true, of course, that the present level and composition of the trade of eastern European countries with one another and with the U.S.S.R. do reflect major differences in production patterns, but these existing specializations are chiefly accounted for by production closely tied to natural conditions, such as raw materials, fuels, and foodstuffs, and by production representing the maximum use of available capital stock and skilled labour, as in the case of the engineering industries of eastern Germany and Czechoslovakia. In fact, as has been seen, the largest single segment of trade—that of the eastern European countries with the U.S.S.R.—comprises chiefly receipts of goods of the first type against deliveries of goods of the second type, though trade between Czechoslovakia and eastern Germany consists more of the mutual exchange of specialized machinery, precision instruments, and the like.

¹ More precisely stated, the assumption is that, after a country achieves a given level of economic development, its scale of costs for producing various kinds of primary commodities and manufactured goods will not be so different from the corresponding scales of costs in other countries that it could have obtained a better total return by concentrating on foodstuffs or textiles, for instance, and exporting these goods in payment for imports of other commodities. For a fuller statement of the necessity for a dynamic view of cost conditions in regions or countries undergoing economic development, see Chapter 6 of this SURVEY and Chapters 14 and 15 of the *Economic Survey of Europe in 1953*.

² It is a commonplace that the most active trade is carried on between the very countries whose industries are most fully developed in all the main branches but with differing specializations within these branches.

When, however, it comes to the development of new manufacturing capacity in eastern Europe, there seem to be relatively few instances so far where plans have been made to expand production in a particular country to the point of supplying other countries of the area as well. It is chiefly in the field of engineering products that, as discussed in Section 2, endeavours were made to provide for greater specialization in the establishment of new capacity, after targets were sharply increased during the period of rising international tension. Otherwise, the more generally known examples of co-operative efforts in industrial development have been either in the form of credits and the interchange of technical and scientific experience or in the more specific nature of frontier projects for the joint exploitation of particular natural resources, such as water power or mineral deposits.³

Such co-operative efforts have, on the other hand, been notably weak in the most important case of all where national frontiers continue to divide, as they did before the war, what would otherwise naturally form a single great industrial region. This is the Silesian basin, extending in a compact area on both sides of the Polish-Czechoslovak frontier, with its coal-mines and its iron and steel, chemical and other industries based on coal.

During the first two or three years after the war the Czechoslovak and Polish Governments aimed at close co-operation in the development and use of these resources, as part of a larger programme for the economic integration of the two economies. They achieved some practical results for a time, and several joint committees are still charged with carrying on the work. Little success has, however, been achieved in developing an effective common programme. It is further illustrative of the predominantly national approach thus far taken to economic planning that there has been no substantial relief for the Czechoslovak labour shortage through the employment of workers from Poland, where manpower problems, even if not lacking, are much less serious than on the Czechoslovak side of the border.

It is also the iron and steel industries of the eastern European countries which seem to furnish, even without close price comparisons, the clearest examples of the failure on both the eastern and the western European side to benefit by international differences in costs. Sweden, with its great resources of rich iron ore, seems obviously the logical supplier of this

³ An example is the construction in Miechowice and in Jaworzno in Poland of the two thermo-electric plants, equipped with machinery furnished by Czechoslovakia, and designed to burn Polish low-grade coal. The power produced will be divided between the two countries.

necessary raw material to both Poland and Czechoslovakia, and, in particular, a natural trading partner for Poland with its exportable surpluses of coal.¹ The great new Polish steel works at Nowa Huta, executed with the aid of the Soviet credit of 1948 on a scale big enough to double the country's then existing steel capacity, was, however, located with a view to obtaining iron ore from the distant Soviet mines at Krivoi Rog. Transport costs, even if carriage by rail is ultimately relieved through the development of inland waterways, are bound to be high compared with those of bringing in Swedish ore to other possible sites in Poland.² As previously noted, not only Poland but also Czechoslovakia and Hungary now draw overwhelmingly the greater part of their iron ore supplies from the U.S.S.R., in the case of Czechoslovakia as much as 80 per cent.³

Comparative costs and the possibilities of securing maximum advantage from international trade also appear to have been given inadequate attention in the low priority assigned to agriculture compared with industry in the economic development plans of the eastern European countries—a priority which became lower still when, with the deterioration in international relations marked by the Korean war, the programmes for heavy industry were speeded up and investment in agriculture became negligible. For those countries of the region which had been heavily dependent on exports of grain produced by an overcrowded and impoverished agriculture, economic development was bound to entail the creation of more productive employment in industry and the consequent transfer of manpower. But it would have been consistent with the objective of balanced economic development to invest enough in agriculture to raise yields per hectare

and, still more, output per worker in agriculture. As it is, food not only earns far less than before in exports to western Europe but even competes with urgent requirements of raw materials and machinery in imports.

Finally, the lack of attention to international differences in costs helps to explain another pronounced feature of the trade of eastern European countries as it has developed up to now—that is, its strongly bilateral character.⁴ The primary reason for this may be, in trade within the region, convenience in negotiation, since it is immensely more complicated to plan a multi-lateral pattern with several countries simultaneously. And, in trade with western European and other countries outside the region, the main reason may be the deficits which have arisen in most trading relationships, there being at present no export surpluses to transfer even where existing currency arrangements in western Europe allow for it.⁵ But it is also relevant that there would be little point in creating a more complicated system unless it were desired to take advantage of different relative cost conditions.

New Attitudes and Policies

Increasingly during the last two years official pronouncements as well as discussions of a less formal character in eastern Europe have stressed the importance of foreign trade.⁶ This strongly positive attitude is closely associated with criticisms of past policies, including complaints of undue haste and expense in the development of heavy industry, of the neglect of agriculture and other traditional exporting industries,

¹ Indeed, the Swedish steel plant at Luleå was specifically located at that point not only as a factor in regional development in Sweden, as mentioned in Chapter 6, but also in order to maximize the advantages of cheap water transportation, the same vessels taking iron ore outbound and coal inbound. These advantages are effectively realized, though not so much through trade with Poland as with western Germany.

² However, problems of regional development like those discussed in Chapter 6 also figured importantly among the considerations determining the site of Nowa Huta.

³ Even the Danube, by which a large part of the iron ore for Hungary is shipped, is a relatively costly means of transport (pre-war tariffs being about four times as high as on the Rhine, for instance) because of the strength and irregularity of the flow and the limits imposed by the shallow water at the Iron Gates on the size and loading of barges. The construction of the large Stalin steel works (originally planned before the break between the eastern European countries and Yugoslavia to be based on iron-ore supplies from the latter country and consequently to be located at a different site on the Danube) is no doubt the most important single example behind current Hungarian criticism of misallocation of resources and a strong stimulus to the particularly active thinking now evident in Hungary about the role of foreign trade.

⁴ "The basic legal provisions of trade and payments agreements are uniform for all the countries in the democratic camp, and are based on the principle of equating the value of the mutual deliveries and services supplied by the Contracting Parties, considered over half-yearly periods. This equality is also observed in the settlement arrangements which are effected on a clearing basis and eliminate the use of foreign currency." (*Sovetskoye Gosudarstvo i Pravo*, No. 6, 1953, page 96.) In addition to the reasons suggested in the text it is also considered that bilateral balancing "creates favourable conditions for the conduct of foreign trade, since neither side can run up against any serious difficulties in settling its accounts." (*Cf. Chistyakov, op. cit.*, page 58.)

⁵ The one big exception being the U.S.S.R.'s surplus with the United Kingdom, employed chiefly, however, within the sterling area.

⁶ Thus, a Polish Government decree of July 1954 prescribes in detail the special measures to be taken for the development of exports. More generally, an east-German writer states: "First, the Government of the German Democratic Republic must treat foreign trade as one of the major questions of State policy. The prerequisite for the expansion of foreign trade is that industry should produce more export goods of better quality at cheaper prices. More and better goods for export make it possible to increase imports, which is the prerequisite for a rapid rise in the standard of living and a further rapid development of the economy." (E. Lange, *Einheit*, No. 9, 1954, page 840.)

and of the difficulties experienced as a result in obtaining raw materials for the consumer goods industries and other necessary imports.¹ Along with this is a new theoretical probing of the criteria and methods to be employed in assessing domestic and foreign costs as a guide to planning.² Production for export is assigned a new importance in discussions of the allocation of investment funds.³

It is not surprising that this change in emphasis seems to be most strongly marked in the three countries of the region which, by their historical development and present economic structure, are most dependent on foreign trade: eastern Germany, whose production remains highly specialized and whose commercial exchanges with the rest of the pre-war German economy are only a fraction of what they used to be;

¹ A Hungarian expert writes, among other things: "There was a considerable expansion in production of precisely those transformation industries—particularly in engineering—for which no raw-material basis existed in the country, while no account was taken of the fact that the economic and historical conditions in one, or possibly more, of the countries in the socialist camp were substantially more favourable for the development of such branches of industry. Not only was there a struggle to satisfy domestic needs in a way which could in no manner of speaking be described as economic but, what is more, a considerable proportion of the goods produced in such branches of industry was allotted to exports. . . . During the new phase the maladjustments between the development of industry and that of agriculture must be overcome and the rapid expansion of agriculture must be ensured. Foreign trade must do more to help this by increased imports of tractors, fertilizers, pesticides and insecticides. Since one objective of the new period is the rapid development of production in branches of industry supplying consumer goods, imports of materials for light industry—cotton, wool, raw leather, timber etc.—must be increased accordingly and their share in total imports of materials must also be raised. Foreign trade could also make a direct contribution to raising the standard of living by increased imports of overseas foodstuffs." (E. Illyés, *Társadalmi Szemle*, No. 5, 1954, pages 92 and 93.)

² "In analysing import returns on a national level a decision has to be reached concerning the relative advantages of importing a finished product or of producing it at home. A result can be obtained only if—at given levels of productivity—the socially required working-time for the home production of this commodity is compared with the socially required working-time for the acquisition of the foreign exchange funds that are needed for the importation of this same commodity". (*A devizahozam és a jövedelmezőség néhány kérdése külkereskedelmünkben*—"Some problems of foreign exchange receipts and returns in foreign trade"—by J. Fay, *Magyar-Szovjet Közgazdasági Szemle*, No. 6-7, 1954, pages 578-586.)

³ "As in our analysis of internal demand when we are discussing investments necessary for increased production to satisfy home needs, we have to carry on an analysis of investments connected with the development of foreign trade. Particularly interesting in this respect are possibilities of increasing and specializing investments on the basis of long-term agreements and continuous economic co-operation of the socialist countries. Such agreements will introduce for a long time elements of stability in production and investment tasks. Here we have the problem of international co-operation, on the one hand in a broad sense—that is, between individual sectors of different economies—and on the other in a narrower sense, between individual establishments in different countries." (K. Secomski, *Gospodarka Planowa*, No. 7, July 1954, page 13.)

Czechoslovakia, whose economic structure has been most sharply shifted from light to heavy industry and whose once-important trade with western European and overseas countries has progressively fallen away from its early post-war peak; and Hungary, whose agricultural exports have almost disappeared and whose engineering and light industries have, apparently more than elsewhere, felt the burden of heavy investment in basic industry, especially steel.

But it is significant that interest in developing and improving foreign trade is also stressed in the U.S.S.R., since, on the one hand, external economic relations are of much more marginal importance to its large domestic economy, while, on the other hand, the central position which it occupies in the foreign trade of the eastern European countries makes its policies of paramount importance in any new orientation.⁴

In trade within the group, the aim to secure increased benefits from the international division of labour is manifested in the co-ordination of economic programmes starting 1 January 1956, when the eastern European countries, with the single exception of Bulgaria, will inaugurate new long-term plans timed to coincide with the next Soviet Five-year Plan.⁵ This synchronization of production and investment will be supported by long-term trade agreements relating to the same period. These programmes, which will impose much more exacting tasks on the planning authorities than heretofore, are doubtless still in very preliminary stages, but it is clearly the intention to build further on the start already made in engineering industries and to extend this co-ordination to other branches of industry, particularly the production of consumer goods.

Meanwhile, a number of special bilateral agreements have already been made for particular industries. Thus, during the second half of 1954 agreements for the co-ordination of light industries, largely consumer goods, were concluded between Czechoslovakia and Hungary, Czechoslovakia and eastern Germany, and Hungary and eastern Germany, while negotiations between Czechoslovakia and Bulgaria were in progress at the end of the year. In the chemical industries,

⁴ "The Soviet Union is in favour of expanding economic relations with other countries; moreover, the advantages resulting from the international division of labour are also appreciated. The international division of labour, based on the available resources and each country's accumulated production experience and traditions, ensures advantageous trade exchanges and consequently enhances general well-being. It is also more appropriate for us to purchase a certain proportion of some goods abroad when it would be relatively cheaper to do so than to expand our own production. We can use the money thus saved to increase the output of those export goods which we are better placed to produce." Cf. A. I. Mikoyan, *op. cit.*

⁵ Cf. Chapter 2.

eastern Germany and Poland made a special agreement for the first to specialize in products derived from brown coal and the second in products derived from hard coal, while eastern Germany has also concluded an agreement with Rumania to assist in the development of its chemical industry.¹

Thus, while plans are still being prepared, it would seem that the basis is being laid for a further substantial rise in the trade of the eastern world market. There are indications, in particular, that the trade of the eastern European countries with one another may gain in importance, as greater advantage is taken of product differentiation and large-scale production and of differences in investment costs and in levels of skills and other external economies. Exports from the eastern European countries to the U.S.S.R. obviously also offer a large outlet for both capital equipment and consumer goods, while their requirements of food and raw materials as well as machinery and equipment from the U.S.S.R. may be expected to grow. The need to satisfy the needs of this group of countries, as well as other markets, appears to be one of the reasons for the efforts now being made to expand Soviet grain production.² Plans for a great increase in cotton production in mainland China are also suggestive of the possibilities of a growing two-way trade with that country in the exchange of capital equipment for raw materials. It may be further suggested that eastern Germany, now relieved of reparations and other charges, is likely to play a major role in this general expansion, having large potentialities for exports of finished manufactures and heavy import requirements of food and raw materials.

Along with this development there is some indication, still slight, that the rule of bilateralism in trading relationships will be applied less rigidly. The obligation to produce, in order to balance accounts, the particular commodities desired by a given trade partner has proved detrimental to specialization in some sectors, and it has sometimes happened that countries have simply been unable to provide acceptable commodities to offset needed imports in a particular bilateral relationship. The most specific departure from bilateralism is a so-called "triangular clearing agreement" concluded between eastern Germany and

Bulgaria in 1954, which, according to the official announcement carried in the Press, gives Bulgaria the opportunity to use its deliveries to eastern Germany to buy from a third country.³ It may indeed be expected with some confidence that, if trade continues to expand rapidly and if greater attention is paid to relative costs, the eastern European countries will increasingly find it necessary to introduce more multi-lateral elements into their trade and payments arrangements.

Current views in eastern Europe and the U.S.S.R. on the role of trade with countries outside their own trading group are more ambivalent than those relating to trade within the group. It is primarily the latter which is envisaged in present discussions concerning the advantages and practical possibilities of increased international specialization, and almost every statement on foreign trade continues to draw a very sharp distinction between the "two parallel world markets". Renewed stress has nevertheless been placed during the past two years on the need to develop trade with countries outside the region and on the problems to be solved in expanding exports as a means of obtaining necessary imports, especially of those raw materials and foodstuffs in which the region is deficient.

As noted in Section 3, the eastern European countries and the U.S.S.R. are making special efforts to expand their direct trade relations with primary producing countries rather than rely so much as in pre-war years on covering deficits with them out of surpluses earned in western Europe. This emphasis, representing a further set of priorities in trading relationships, would appear to be in keeping with differences in the relative strength of their bargaining positions vis-à-vis the more and the less developed countries. For the latter group, the eastern European countries and the U.S.S.R. are able to offer new markets for exports of primary products and at the same time are increasingly in a position to provide exports of capital equipment. With their trade proposals, the leading trading countries of eastern Europe, as well as the U.S.S.R., are combining, as noted in Section 3, offers to provide credits and technical assistance to the under developed countries overseas. Here also, then, the basis seems to exist for a considerable expansion in trade from its present low level, though to achieve it eastern European countries and the U.S.S.R. will probably have to accord less priority than heretofore to their own reciprocal demands. Their exports must

¹ East German export industries have particularly complained about the tendency of other countries in the region to develop production of goods which it is clearly well equipped to supply, and the east German authorities thus have a particular interest in concluding agreements for the co-ordination of production.

² Cf. Chapter 3. The resolution of the Party Central Committee in the U.S.S.R. on the further expansion of grain production stated that the additional grain was needed, among other reasons, because "the country must have bread-grain surpluses to increase exports, the needs for which are growing". (*Pravda*, 6 March 1954.)

³ See *Der Aussenhandel*, 7 September 1954. The consent of the third country would seem to be necessary in order to make the triangular arrangement work, but it is not stated whether or not other parties have been associated with the agreement in some way.

also be able to compete, as the policy statements recognize, without benefit of the preferential conditions which they have in trade with one another and instead are confronted, in many overseas markets, with the established positions of other trading nations.

Compared with the prospects for the expansion of trade among eastern European countries and the U.S.S.R., as well as between them and the less-developed countries overseas, the forces determining trade with western Europe appear less dynamic. Eastern European countries are likely to continue to import from western Europe up to the limit of their resources. Their imports will perhaps consist less of food than at the moment, since it must be expected that these countries will gradually succeed in solving their agricultural problems and indeed may, as the U.S.S.R. has in mind with its grain-expansion programme, be able to offer increasing amounts of their traditional food exports. At least for the time being, however, eastern Germany, and possibly Czechoslovakia, may have a continuing need of meat and dairy products beyond the capacity of other countries in the region to supply, and even over the longer run there may be eastern European and Soviet purchases of these products and of fish and citrus fruit from western European as well as overseas countries. Eastern Germany, which enters into the picture once more as a special case, is still far from independent of its old sources of supply of coal and steel in western Germany and needs to expand its imports of these and other goods. Following some narrowing of export controls in the West, moreover, the interest of the whole eastern trading group in buying machinery and raw materials from western European countries should gain further strength.

All of these are good reasons to expect the eastern European countries and the U.S.S.R. to want to build up their trade with western Europe and explain why, despite their clearly asserted preference for trade with one another, they still assign a certain priority to the acquisition of "hard currencies" in defining the tasks of their export industries.¹ The limiting factor on the eastern side in the expansion of East-West trade in Europe is thus not the interest in or need of imports by the countries of the eastern trading group, but lies rather in the less favourable conditions determining their exports to western Europe. The rebuilding of their traditional export industries will take time, even

with the new emphasis given to agriculture and consumer goods, and meanwhile western European countries have developed new sources of supply at home and abroad. A larger share in western European grain imports can doubtless be had when increased supplies from the eastern side become available, and the same is probably true of Soviet timber, while petroleum and petroleum products may figure increasingly in the trade if supply conditions in the East and marketing conditions in the West permit it.

Some reciprocal exchanges may also be developed with western Europe in products of the engineering industries, including the wide assortment of both capital goods and consumer durables which eastern Germany, Czechoslovakia and Hungary can supply, as well as motor-cars, for which the U.S.S.R. has already established a small market in the Scandinavian countries. Eastern European countries on their side have a definite interest, particularly in view of current efforts to provide a wider selection of consumer goods, in obtaining from western Europe various kinds of consumer durables and other products, such as textile fabrics, made of the newer synthetic fibres. It would therefore be wrong to regard the present volume of East-West trade in Europe, or even the much higher pre-war volume, as a firm ceiling. But it would also be unrealistic not to recognize that changes in the structure of production on both sides, as well as differences in trading methods and attitudes, tend to direct the future expansion of the trade of eastern European countries and the U.S.S.R. chiefly in other directions.

To sum up, the indications are that the eastern European countries and the U.S.S.R. will continue to assign increasing emphasis to their foreign trade and to the advantages which it offers of greater international specialization. This does not imply any weakening in their basic aims of national industrialization and balanced economic growth, but rather the effort to promote the attainment of these objectives through closer attention to questions of relative cost and efficiency. Because of their often expressed lack of confidence in the stability of western markets for their own exports or as a source of supply, and their reiterated desire to put as much of their trade as possible on the basis of firm commitments under long-term agreements, there is little probability that the present high geographic concentration of their trade will be diminished as the total expands. The outcome depends in part, of course, upon the foreign trade policies of western European countries, including the position taken with regard to such difficult problems as the possibility of concluding long-term agreements between private-enterprise and State-

¹ "The primary aim for exports ... is the acquisition of the more valuable (so-called hard) currencies by the sale of those products made of materials for which the least amount and the least valuable currencies have to be expended." (J. Fay: "Az export gazdaságosságának mérése"—"Measuring the Profitability of Exports", *Statistikai Szemle* No. 1, 1954, page 63.)

trading economies. In view of the work now actively proceeding within the eastern world market towards the elaboration and co-ordination of new long-term economic development and trade plans to take effect at the beginning of 1956, the course of East-West negotiations on trade problems during the next

twelve months may well be crucial in determining whether or not previous tendencies towards national self-sufficiency within the eastern world market will change into anything more than a broadly conceived regional self-sufficiency relieved only by a modicum of trade with the west.

Appendix to Chapter 5

Extracts from a recent Hungarian article entitled

“OPTIMUM RETURNS AND INTERNATIONAL DIVISION OF LABOUR”¹

NOTE. — The problem of costs and returns in foreign trade has become an important subject of theoretical thinking and economic measurement in the eastern European countries since the initiation of the new phase. The new economic review of the Hungarian Academy of Sciences, in its first issue of October 1954, published a study of this subject which can be regarded as a summary of the present state of thinking on the matter in Hungary and which was also meant to serve the purpose of re-opening on a broader basis the discussion which had so far been carried out on a narrow technical ground. The two authors of this paper, Tibor Liska and Antal Máriás, are Senior Scientific Officers at the Institute of Industrial Economy of the Mátyás Rákosi Technical University for Heavy Industry at Miskolc and at the Institute of Enterprise Planning of the Technical University in Budapest respectively, who jointly conducted a pilot study into the cost components of engineering products, the results of which were used in carrying out similar investigations into the cost components of 50 commodities of primary importance in Hungarian foreign trade. In view of the interest of the article, the following extracts are reproduced:²

Autarky or International Division of Labour

“

“When planning the structural proportions of the economy, a crucial problem in the matter of obtaining optimum returns is the question: how should the national economy fit into an international division of labour?”

“... On this point, there are two theories. One is the theory of autarky which, without actually saying so, in essence considers it both impracticable and pointless to take part in the international division of labour, and, on the contrary, necessary to strive for maximum self-sufficiency. The other view—that approved by the Third Congress³—is that no opportunity should be lost of turning to account the advantages arising from an international division of labour.

“Although more than a year has passed since the Government programme was laid down, we have not yet succeeded in switching over to participation in the international division of labour. And one of the things which is stopping us is the fact that the theory of autarky still survives in our Party teachings, our periodicals, our planning methods and in the minds of certain of our economic leaders.” (Page 78.)

¹ “A gazdaságosság és a nemzetközi munkamegosztás” (Optimum Returns and International Division of Labour), by Tibor Liska and Antal Máriás, *Közgazdasági Szemle*, No. 1, 1954, pages 75-94.

² Detailed page references of the text are given in brackets after each section. The sub-headings shown were not in the original text but have been inserted in the translation for the convenience of the reader.

³ I.e., the Third Congress of the Hungarian Workers Party, held at Budapest from 24 to 30 May 1954.

A Classical Formulation of the Theory of Autarky

“According to the classical formulation of the theory of autarky, as given in all publications on foreign trade, the main task of foreign trade is, through exports, to procure imports of those commodities which cannot be produced within the country.

“This, in fact, was the way in which the problem arose in the emergency that once faced the Soviet Union, alone and under blockade in a capitalist world. . . .

“... Arguing from this emergency, some Party teachings evolved a ‘socialist’ theory, according to which a socialist economy was bound to be autarkic in character, as shown by the fact that, unlike a capitalist State, the socialist State does not try to conquer foreign markets and has no imperialistic ambitions. Carried to its logical conclusions, this theory implies that the international exchange of commodities and the international division of labour are equivalent to capitalism and that their negation, autarky, equals socialism.

“

“After the second World War, however, the situation changed decisively. The formation of the socialist camp and the socialist ‘world market’ paved the way for the development of a socialist division of labour on an international scale between the Soviet Union and the Peoples’ Democracies. In foreign trade, then, it is not imports which are the end and exports the means; exports and imports alike are means, and means of equal importance in developing the socialist economy. . . .” (Pages 78-79.)

A Second Version

“The theory of autarky has, however, persisted in a form which may be summed up thus: let us reduce imports at all costs, and increase exports of labour-intensive commodities, since these do not require much basic material and, in particular, not much imported material. This version of the theory of autarky is at least as harmful and widely held as the original one and finds the following expression in practice:

“(a) We are still trying to produce at home basic materials hitherto imported and for whose production, even taking the long-term view, we are less well equipped than for that of other commodities, instead of developing the production of those commodities that we are better able to produce and exchanging them for the basic materials in question.

“(b) In assessing the return from export production, we take as our crucial test the net foreign exchange earnings, defined as the difference between foreign exchange income and foreign exchange expenditure. This idea of reducing imports at all costs and producing as many labour-intensive commodities as possible results in the available labour force being wasted on the production of commodities which, even in the long run, cannot be produced economically. In this way, for every foreign exchange forint received, the domestic labour wasted is sufficient to earn two or three times as much in another branch of production. . . .

“There is, of course, a certain element of sound commonsense in this idea of reducing imports and developing exports of labour-intensive commodities. Before leaping to a decision to import commodities which we do not ourselves produce, it is quite right first to ask oneself whether there is not some way of producing them economically at home. Similarly, it is quite right to try to develop the export of those labour-intensive commodities in whose case the ratio between domestic and international productivity is favourable. In the case of commodities whose basic materials cannot be economically produced at home, it is particularly important for the proportion of highly productive labour put into such products by the processing industries to be as large as possible. With both imports and exports of labour-intensive commodities, however, the ratio between productivity at home and productivity abroad has to be taken into account.

“If we neglect this, we cannot expect to improve the balance of payments by reducing imports, because such a reduction of imports might lead to a decline in exports. Again, all our efforts to earn foreign exchange by exporting our labour might be in vain, since, if the exported labour is of relatively low productivity, the foreign exchange will be earned at too great a cost. It may even prove more expensive to import the basic materials than to import the finished commodity.

“” (Pages 80-81.)

A Third Interpretation

“Finally, according to autarkic theory, it is bad for an industrially under-developed country—i.e. Hungary—to have a high volume of foreign trade in relation to national product. Two arguments are put forward in support of this view:

“(a) The productivity of labour is lower in this country than in the countries which shape world market prices, and it is therefore only worth while to export those few commodities in which the productivity of Hungarian labour reaches the same or an even higher level than productivity on the world market, if we do not wish to lose thereby. . . .

“(b) If we were consistently to follow the principle of only producing the commodities in which we enjoyed the greatest advantage, we should fall into the opposite extreme to autarky, making our production completely one-sided and thereby impeding the development of productive forces.

“

“First [on point (a)], it is incorrect to say that foreign trade is economically worth while only if no other commodities are exported but those produced at a level of productivity equal to or above the average on the world market. Ricardo, in his

theory of comparative costs, explained that the foreign trade of a country can be economically worth while even when all commodities, including those for export, are produced at a level of productivity below the average on the world market. . . . It is much more economical to import a commodity in exchange for a more valuable export commodity than to produce it at home at a high cost.

“

“ The second argument [on point (b)] against an international division of labour is the danger of one-sided development. Nowadays, with the highly diversified pattern of industrial production this danger is not a major one, but it is worth dealing with nevertheless. ‘ Complex ’—i.e. balanced—development is certainly a basic principle of socialist economic policy, and one which gains in importance when the economic unit in question is separated by frontiers from the other parts of the socialist camp. But complex development is appropriate only in so far as it makes home production more economical by using local factors of production and materials and by saving on transport costs. In no circumstances does it mean development in all fields and, hence, withdrawal from the international division of labour. . . .” (Pages 81-83.)

Autarky and Structural Relationships within the Economy

“ But autarky is, we must emphasize, predominantly not a problem of foreign trade, but a problem of the right proportions within the branches of production, a problem of the structural relations between sectors of the economy. . . .

“ The main way to develop the proper proportions within production is therefore to specialize in producing those commodities for which the relationship between home and international values is favourable—that is to say, for which average productivity of Hungarian labour more nearly approaches, or even surpasses labour productivity on the world market. The more consistent we are in following this principle the stronger we shall become economically.

“ All this naturally applies primarily to foreign trade with socialist countries. In this trade, one should not adapt the structure of exports and imports to the structure of domestic production. One should rather . . . start from the common needs and individual circumstances of the planned economies, work out what, in the light of actual possibilities, is the most advantageous export and import structure, and then adapt the structure of productions to their framework.

“ In our country to-day, exactly the opposite method is used. An import plan is worked out on the basis of the production plan and an export plan on the basis of the import and production plans. While the production plan, it is true, is supposed to take into account the international division of labour, no calculations have been made for this purpose. Thus, planning does not start from the wrong end in theory but only in practice.

“ . . . The only way to tell whether one is dealing with a case of complex development or of autarky is actually to calculate the economic return; without such calculations the economic principles of complex development, which otherwise constitute a sound point of departure, become so much empty talk and easily lead to a drive towards autarky.” (Pages 81-83.)

Measurement of Returns from Foreign Trade

“ . . . The economic returns from foreign trade can be determined only by a comparison of national and international values.

“ All those . . . formulæ which do not show the commodities with a favourable value ratio as giving higher returns in foreign trade and those with an unfavourable value ratio as giving lower returns only lead to false and harmful conclusions (e.g., the formula of net foreign exchange earnings). It is proposed to deal exclusively with formulæ reflecting value relationships.” (Pages 83-84.)

Balances of Price Equalization

“ An important item in the national income balance, measured at current prices, is the balance of import levies and export subsidies which result from differences between world market prices and domestic prices. . . .

“ . . . Assuming that home prices reflect real values and that the only commodities imported are those which are also produced at home—that is to say, which also have a domestic value—then an excess of subsidies over levies on imports . . . would mean an effective loss on foreign trade. It would show that we were importing commodities more highly valued than the average and that we were exporting commodities for which the value relationships were less favourable. In the inverse case, foreign trade would be profitable—that is to say, show a positive balance.

“ Our present price system, however, does not reflect values because it considerably under-values producers’ goods. If . . . imports contain a bigger share of producers’ goods than exports, an erroneous picture is given by the balance of price equalization (export subsidies less import levies) and foreign trade appears to be less profitable than it really is, because of the different valuation of producers’ goods and consumer goods. A further complication arises from the fact that the proportion by which producers’ goods are undervalued is not constant. The price of many producers’ goods contains an element of turnover tax, whereas many other producers’ goods are priced at less than cost. . . . In analysing the effect of price equalization, we have to consider these factors and apply appropriate correctives.

“ The most difficult problem is to fix a domestic price for imported commodities. If the commodities imported are also produced at home and are sold on the home market consistently at the same prices as the corresponding domestic products . . . then the import equalization would really show the home value of the imports. This is the procedure followed in practice with imported commodities when the same commodity is produced at home.

“ In the case of commodities not also produced at home and hence having no ready-made valuation on the home market, the problem is much more complicated and internal prices very often have to be fixed in a completely arbitrary manner. The balance of price equalization has an economic meaning only if it is assumed that the prices of commodities not produced at home are fixed in relation to the home-price level—that is to say, according to the average ratio between home prices and world market prices. Efforts in this direction are being made and are meeting with a certain degree of success. . . .

“ . . .

“ . . . The difference between import levies and export subsidies roughly indicates the real results of foreign trade policy, although according to our calculations these results are considerably distorted by the present price system.

“ . . .

“ . . . Such sources of distortion as, for example, the valuation of imported commodities and the different rates of accumulation in costs are likely to lead to far greater divergence from reality in the case of single commodities than in that of aggregates.” (Pages 84-86.)

Foreign Exchange Returns per Unit of Wage Costs

“ It is most economical to produce and export those products for which the biggest foreign-exchange returns can be obtained per forint of wage cost. On the other hand, in the case of those products for which this ratio is low, it is more economical to import than to produce them. If we calculate this ratio for years ahead—that is to say, plan realistically on the home-wage costs of certain products being cut by x per cent by the end of the second Five-year Plan, and at the same time count on there being in all probability no appreciable fall in world-market prices because of the effect of long-term contracts, the demand from the friendly countries being permanently attracted towards these commodities, and so on—we shall then be able to pass a confident and economically reasoned judgment, on the question of which commodity it is more advantageous to produce and which will contribute most to the expansion of national income.

“ . . .

“ Some people, regarding foreign exchange as a more valuable circulating medium than the wages paid to home labour, want to adopt net foreign-exchange earnings as the indicator of optimum returns, and wish accordingly, to lower foreign exchange costs at the expense of domestic wage costs.

“ While it is a fact that today it costs a great deal to earn one foreign exchange forint, we cannot change this by rendering the production of new foreign-exchange forints still more expensive on the pretext of saving on foreign exchange. On the contrary, we have to try to produce foreign-exchange forints with the least possible home labour effort.

“ Although it is worth while importing any commodity in exchange for a commodity of lower priority, it is not without interest to work out a critical average foreign-exchange return per unit of wage costs above which it is generally economical to export and below which it is generally more economical to import. . . .” (Pages 86-90.)

Further Factors to be considered in Planning Foreign Trade

“ The following facts and criteria should also be known for any given commodity . . . :

“ (1) The level of demand;

“ (2) The possibilities of cost reduction and of increasing productivity;

“ (3) The fixed and circulating capital required to produce it;

“ (4) Its annual foreign exchange earnings;

“ (5) Any defence and political considerations affecting it.” (Pages 90-92.)

Capital Costs and the Returns from Foreign Trade

“ It is, hence, necessary to evaluate the volume of fixed and circulating capital absorbed, not only in the final stage but also back through the earlier stages, of the production process, and to set this total volume against the annual foreign-exchange earnings obtainable by producing the commodity in question.

“ . . .

“ . . . Prices on the socialist world market have to adapt themselves to a certain extent to the price system of the capitalistic world market, where even with a balance of demand and supply there is considerable divergence between prices and values.

“ . . .

“ . . . When measuring the real prospects of achieving an optimum return, the amount of capital immobilized has to be measured, too. If, disregarding this factor, we were to come to a decision solely on the basis of indices of labour productivity, we should be heading the economy towards a type of production which, though accompanied by a considerable saving in labour, would, in this case, also entail the immobilization of an excessive amount of fixed and circulating capital; in other words, we should be heading it towards an unlimited increase in accumulation.” (Pages 91-92.)

Planning the Foreign Trade of the Second Five-year Plan Period

“ Our main task—the optimum satisfaction of requirements—can be achieved only if requirements and possibilities are taken into account together with optimum returns.

“ In practice, our planning has so far aimed only at a mechanical balance between requirements and possibilities, and has often lost contact even with realities. . . .

“ But only for very sound reasons can we abandon, in specific cases, the principle of satisfying ‘ optimum return ’ requirements. Indeed, in present circumstances, we must even relax somewhat the requirement that optimum return be always studied in terms of a ten- to fifteen-year period . . . And we have to seize every genuine opportunity of temporarily giving a higher priority to the production of those commodities which already yield higher returns during the Second Five-year Plan than to the production of those which will yield such returns only on a long-term basis . . . For a number of objective reasons, such as ensuring full use of existing capacities, present market and foreign exchange difficulties, etc., and for some no less important subjective ones, there is a very real danger of our change-over to more economical production patterns being far slower than the urgency of the situation justifies.” (Pages 93-94.)

Chapter 6

PROBLEMS OF REGIONAL DEVELOPMENT AND INDUSTRIAL LOCATION IN EUROPE

The growing interest in the problems of economic development which is an outstanding feature of post-war economic thinking has, quite naturally, been focussed mainly on the wide differences existing between countries and on the problem of stimulating economic progress in those which have been left behind. Both in public debate and in government policy increasing attention has, however, been paid in recent years to the related problems of regional disparities in levels of economic development within one and the same country. In the United Kingdom overall policies to reduce regional disparities in economic activity and standards of living were initiated already in the 'thirties. In the Soviet Union considerable resources were devoted to the industrial opening-up of the vast eastern parts of its territory.¹ In Germany a conscious policy of industrial decentralization was carried out, but this was motivated mainly by strategic considerations and the effects it may have had in reducing regional disparities in income and economic activity were incidental. In the post-war period regional policies have become still more important in the United Kingdom and in the Soviet Union, and a number of other European countries both in the west and in the east have embarked upon regional development plans and other schemes of regional economic policy.²

The purpose of this chapter is to describe the nature and importance of regional economic problems

¹ Regional problems and policies of the Soviet Union are not dealt with in this chapter.

² An outstanding example is the Italian plan for development of the *Mezzogiorno*, which was discussed in the *SURVEY* for 1953, which also contained a more summary description of regional problems in other southern European countries. See *Economic*

within European countries and to discuss different methods of regional economic policy on the basis of the experiences of the various parts of Europe. In the first section, an attempt is made to identify the problem regions in Europe and to determine whether the gap between poor and rich regions within countries has, on the whole, been widening. In the second section, the common features of the structural weakness of under-developed regions and the existing location of manufacturing activity are examined, with the purpose of ascertaining whether the present pattern is due to actual differences in factor endowment between regions or to legacies of the past, reinforced by certain institutional factors, which might tend to perpetuate the existing concentration of industry. In the third section, certain conclusions are drawn as to the type of industry best suited for establishment in poor regions both from the point of view of checking the cumulative process of concentration in the highly developed areas and from that of promoting the balanced growth of the under-developed regions. Sections 4 and 5, after describing the various methods applied in regional policies in western and eastern European countries respectively, deal with the most effective way of using the various policy instruments at the disposal of Governments. The chapter ends by referring briefly to the possibilities for co-operation between countries in regional policy and to the implication of international integration policies for regional differences within countries.

Survey of Europe in 1953, Part III, in particular pages 92-94 (Turkey), 103-104 (Greece), 121 (Yugoslavia), 123-140 (Southern Italy), 142 (Spain), 154 (Portugal) and 184-186 (General).

1. DISPARITIES IN REGIONAL DEVELOPMENT IN EUROPEAN COUNTRIES

The Broad Geographic Pattern

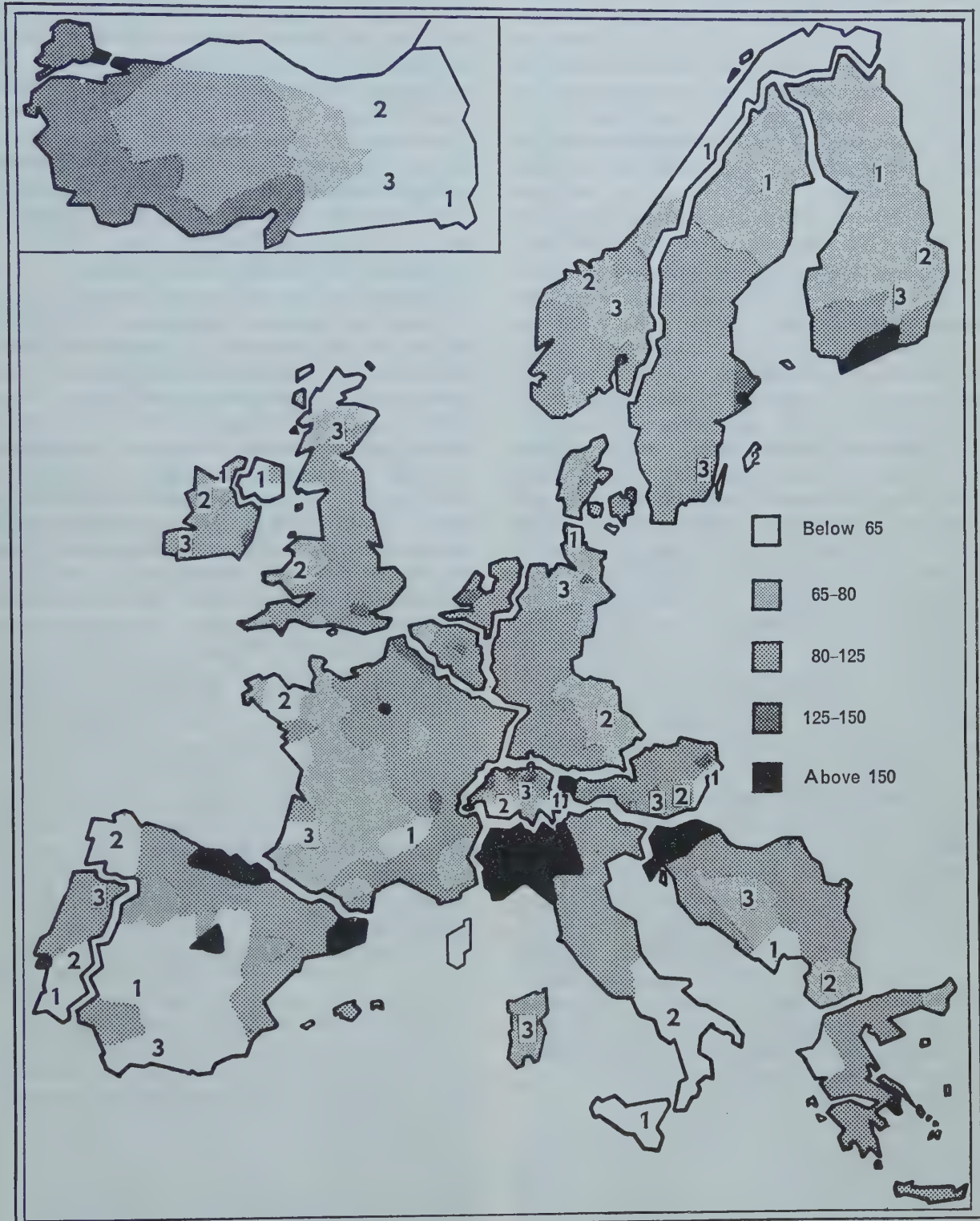
Map 2 on the following page is intended to give a first impression of the variations in the degree of economic development between different regions within each individual country. The degree of shading of each region is determined by the relationship between

incomes in that region and the average for the country of which the region forms part. No comparisons can therefore be made directly across political boundaries. The criterion by which the regional differences are measured is relative levels of *per capita* income and it is subject to certain limitations which are discussed below. It may perhaps be accepted as adequate for a

Map 2

REGIONAL INCOME DISPARITIES WITHIN WESTERN EUROPEAN COUNTRIES

Estimated per capita income in each region expressed as percentage of income in each country



NOTE. — The numbers on the map indicate the location of the poor regions listed in Table 70.

first broad identification of the location and size of the problems. A glance at the map shows that the poor regions in individual countries are generally those situated at the periphery of Europe : the western and northern regions of the British Isles and the Scandinavian countries, the western regions of France and the southern parts of nearly all southern European countries. A similar pattern is found in virtually all central and eastern¹ European countries up to the borders of the Soviet Union. Thus, in all countries of Europe the levels of economic development tend to be lowest in the regions furthest removed from the relatively small area which developed as the main European centre of industrial activity, embracing England and the valley and outlet of the Rhine.

The lower level of activity and income at the periphery of Europe can, to a certain extent, be accounted for by natural factors. The climate is more unfavourable in most regions of the European periphery than nearer the centre, and some of the outlying regions, for instance northern Scandinavia and eastern Turkey, are handicapped by the mere fact of geographic distance from their own national centres of population and production. However, the smaller or larger distance from the industrial centre of Europe has no doubt been in itself a powerful location factor which has contributed to mould the pattern of settlement inside most European countries, making the regions nearer the centre more, and those furthest away from it less, attractive from the point of view of industrial location. Location of economic activity in Europe is still predominantly determined by historical patterns which emerged in times of economic liberalism, and—what is still more important—in times when proximity to coalfields and navigable rivers was virtually indispensable to a more developed pattern of activity. Although development of other sources of power and transport have brought decisive changes in relative location advantages of various regions, the existing concentrations of population and the distribution of capital stock, particularly that invested in transport facilities, have so far prevented any major shifts away from the old centres of activity.

It is a well-known fact that the countries situated near the economic centre of Europe are, in general, richer and more developed than those at the periphery. This, combined with the geographical pattern of regional disparities within countries described above, the most prosperous and developed regions of each country tending to be those closest to the economic centre, produces the result that, as a general rule, national frontiers separate the relatively poorer regions

of the richer of two neighbouring countries from the relatively richer regions in the poorer country.² The opposite constellation—rich regions of rich countries neighbouring on poor regions of poor countries—does not exist, and examples of two under-developed regions of different countries contiguous to each other are very rare, the northern regions of Norway, Sweden and Finland being the most notable examples. Rich regions on each side of a common frontier are, of course, found in the valley of the Rhine at the frontiers between France and Germany, and on the two shores of the eastern part of the Channel. The implications of this international pattern of developed and under-developed national regions will be dealt with later in this chapter after the regional problems of individual countries have been discussed.

While the map gives a reasonably correct picture of where the low-income regions are to be found in each country, the impression it conveys of the amplitudes of the regional deviations from the average income of the country is very imperfect. This is partly because the underlying figures are based on taxable income—without adjustment for differences in the cost of living—or on even less reliable indicators of real income. It is also because the delimitation of regions is to some extent arbitrary since the available statistics refer to administrative units of very different sizes, sometimes cutting across what would appropriately be defined as regions in the economic sense. Nevertheless, it can safely be inferred from the map that regional income disparities are much wider in the poor countries of Europe than in the richer ones. Large regions in southern European countries show *per capita* incomes less than two-thirds of their respective national average levels, while no such wide regional disparities are found in western Germany, Sweden or the Benelux countries. The differences in this respect between rich and poor countries are even more pronounced than would appear from the map, because most of the poorest regions in the rich countries are very sparsely populated, while large parts of the poor regions in southern and eastern Europe are, on the contrary, very densely populated. While the population in regions with average incomes below two-thirds of the national average account for only a few per cent in the United Kingdom, Switzerland and

² Examples of this abound : the relatively poor south-western regions of France are neighbours to the richest regions of Spain, some very poor regions of Spain to the northern richer part of Portugal. The depressed Belgian regions of north-west Flanders are neighbours to the rich north-eastern France and some very poor districts of France and Switzerland to the richest regions in Italy. Other examples can be found on the German frontiers with Poland, Czechoslovakia and Austria, on the Austrian frontiers with Yugoslavia and Hungary, on the Czechoslovak frontiers with Hungary, and on the British “frontiers” with Scotland and Ireland.

¹ Sufficient information is not available to permit the inclusion of eastern European countries in the map.

Austria and for some 10 per cent in Norway and France, it accounts for about one-third of the population in Italy, Turkey and Spain.¹

Differences in regional incomes as shown by the map may, of course, arise in some cases simply from the inability of an already developed region to use its resources fully. Thus, areas which suffer from the loss of markets may more accurately be described as depressed rather than under-developed, but they remain a problem nevertheless. Otherwise, however, low incomes in particular regions of a country may be taken as indicative of under-development in the sense that productivity per head in these regions is low in comparison with the country as a whole.

In principle, low productivity in a particular region can be explained in two different ways. It may either be the case that all, or nearly all, the industries in the region have a lower productivity per head than in other parts of the country, or it may be that the region contains a disproportionate share of activities which are generally of low productivity throughout the country. The first case is clearly one of regional under-development. The second case may be typified by agriculture or fishing, which in most European countries yield a lower output per head than other industries, and here it may well be argued that the problem is really one of improving productivity in these particular branches of activity throughout the country as a whole rather than one of increasing productivity in general within a particular region.

In practice, however, neither the first nor the second situation exists in isolation. In nearly all low-income regions in Europe a particularly large share of the population is engaged in agriculture, while at the same time the level of productivity within these regions, both in agriculture and in industry, is lower than in the same branches of activity elsewhere. It may be in some cases that poor natural conditions for agriculture, uncompensated by any other location advantages, are the main reason for under-development of a region, but much more often it is the general backwardness of the region which perpetuates low productivity *per capita* in agriculture along with that in other branches.

The tendency for low income to be associated with a high degree of dependence on agriculture can be observed in Table 70, which includes information for selected low and high income regions inside a number of European countries. In virtually all cases the share of population in agriculture is considerably higher in the poor than in the rich regions. Moreover,

¹ These figures must, of course, be taken only as broad indications because of the arbitrariness necessarily involved in the definition of regions.

yields or other indicators of agricultural productivity are lower in the poor than in the rich regions.² Unfortunately, hardly any information is available on agricultural output per man in particular regions.

There is little statistical evidence of regional differences in productivity in non-agricultural occupations,³ but there is no doubt that they are much smaller inside developed countries than inside the relatively under-developed countries of southern and eastern Europe, where capitalist methods of production have pervaded some regions only, while others are still dominated by pre-capitalist methods.

Growing Regional Disparities in the Poorest Countries of Europe

The regional disparities in the poor countries of Europe are partly due to the fact that these countries include islands of progress—usually the capital city or other large cities—in the midst of a sea of relative backwardness, partly to differences of natural resources, climate and topography, and partly to systems of land ownership and other institutional factors. In Yugoslavia the wide regional disparities are largely legacies of the past, when the present-day regions were either independent States or peripheral provinces of the Ottoman Empire and Austria.

Favourable location from the point of view of international trade gave the major cities of Greece, Turkey and the Iberian countries the first impetus to development. Industry there, as almost everywhere else, has drawn its leadership and finance from the commercial classes whose initiative has traditionally been oriented outwards, and this, as well as the heavy demands on imports during the initial stages of industrialization, meant that either the ports or their immediate vicinity took the lead in development. The attraction of proximity to administration is also an important factor in the concentration of industry in the neighbourhood of Lisbon and Athens-Piræus. Istanbul derived part of its economic power in the past from its rôle as the hub of the Ottoman Empire, while Ankara, the capital of modern Turkey, is rapidly becoming a dynamic centre of industry.

² There is, of course, no such correlation to be expected in the case of industrially depressed areas. For instance, western Flanders, the depressed area of Belgium, shows agricultural incomes about 20 per cent above the Belgian average. See Guido Declercq and Olivier Vanneste: *Structurele Werkloosheid in West-Vlaanderen*, Roeselare, 1954, page 306.

³ However, it was shown in a study of productivity in England and Scotland made by H. W. Singer and C. E. V. Leser (*Journal of the Royal Statistical Society*, Vol. CXI, Part IV, 1948) that the 5 per cent lower value of output per person employed in industry in Scotland compared with England and Wales (according to the 1935 census of production) was not caused by differences in industrial structure, but could safely be interpreted as a difference in productivity.

Table 70. — INDICATORS OF REGIONAL DISPARITIES

Country	Actual differences between selected rich and poor regions (A) Regional figures or (B) Regional figures as percentage of country total										Latest year	Base year	Changes in relation to base years (A) Changes or (B) Indices base year = 100										Whole country
	Poor regions					Rich regions							Poor regions					Rich regions					
	1	2	3	4	5	1	2	3	4	5			1	2	3	4	5	1	2	3	4	5	
Turkey	B					B					1945	1935	B					B					Turkey
	Total population	77	89	77	6	5	5	5	5	6			South East	112	109	92	113	122	Izmir	113	122	116	
	Active in agriculture	77	89	77	5	5	5	5	5	5			East Centre	112	109	92	113	122	Aydın	113	122	116	
	" " industry	77	89	77	5	5	5	5	5	5			West Centre	112	109	92	113	122	—	—	—	—	
	" " services	77	89	77	5	5	5	5	5	5			Andalucía	112	109	92	113	122	—	—	—	—	
	Wheat yields in quintals per ha.	19	7	16	26	7	7	16	26	63			Galicia	112	109	92	113	122	—	—	—	—	
	Number of radio receivers per thousand inhabitants	11	8	10	10	9	10	10	10	9			Valencia	112	109	92	113	122	—	—	—	—	
Yugoslavia	A					A					1951	1940	A					A					Yugoslavia
	Literacy rate of persons over 7 years	17	23	11	44	68	33	115	30	19			North East	112	109	92	113	122	—	—	—	—	
	Total population	70	72	73	73	70	73	73	70	70			South East	112	109	92	113	122	—	—	—	—	
	Active in agriculture	70	72	73	73	70	73	73	70	70			West Centre	112	109	92	113	122	—	—	—	—	
	" " industry	70	72	73	73	70	73	73	70	70			Andalucía	112	109	92	113	122	—	—	—	—	
	" " services	70	72	73	73	70	73	73	70	70			Galicia	112	109	92	113	122	—	—	—	—	
	Volume of industrial production	16	14	11	15	18	15	18	14	14			Valencia	112	109	92	113	122	—	—	—	—	
Spain	B					B					1953	1931	B					B					Spain
	Net investments in thousand dinars per inhabitant	36	18	19	12	19	12	19	14	14			North East	112	109	92	113	122	—	—	—	—	
	Net output of agriculture	2	7	12	24	6	24	6	100	100			South East	112	109	92	113	122	—	—	—	—	
	Literacy rate of persons over 10 years	75	68	61	85	98	33	115	30	19			West Centre	112	109	92	113	122	—	—	—	—	
	Total population	74	73	56	26	24	26	24	56	56			Andalucía	112	109	92	113	122	—	—	—	—	
	Active in agriculture	12	12	22	44	45	44	45	23	23			Galicia	112	109	92	113	122	—	—	—	—	
	" " services	14	15	22	30	31	30	31	21	21			Valencia	112	109	92	113	122	—	—	—	—	
Portugal	A					A					1950	1930	A					A					Portugal
	Wheat yields in quintals per ha.	9	16	9	13	17	13	17	9	9			North East	112	109	92	113	122	—	—	—	—	
	Total population	13	14	17	13	15	13	15	100	100			South East	112	109	92	113	122	—	—	—	—	
	Active in agriculture	69	67	61	23	18	23	18	48	48			Andalucía	112	109	92	113	122	—	—	—	—	
	" " industry	13	16	21	44	28	44	28	25	25			Galicia	112	109	92	113	122	—	—	—	—	
	" " services	18	17	18	33	54	33	54	27	27			Valencia	112	109	92	113	122	—	—	—	—	
	Wheat yields in quintals per ha.	8	7	11	11	10	11	10	8	8			North East	112	109	92	113	122	—	—	—	—	
Italy	A					A					1950	1938	A					A					Italy
	Motor vehicles per 1,000 inhabitants a	5	5	4	13	23	13	23	9	9			South East	112	109	92	113	122	—	—	—	—	
	Literacy rate of persons over 7 years	49	54	56	67	74	45	56	60	60			West Centre	112	109	92	113	122	—	—	—	—	
	Total population	10	26	3	8	13	10	13	100	100			Andalucía	112	109	92	113	122	—	—	—	—	
	Active in agriculture	47	55	50	34	21	34	21	42	42			Galicia	112	109	92	113	122	—	—	—	—	
	" " industry	25	23	26	43	52	43	52	32	32			Valencia	112	109	92	113	122	—	—	—	—	
	" " services	28	22	24	23	27	23	27	26	26			North East	112	109	92	113	122	—	—	—	—	
France	B					B					1951	1936	B					B					France
	Income in 1938 lira per inhabitant	1647	1615	1753	4151	4719	23	27	2806	2806			South East	112	109	92	113	122	—	—	—	—	
	Wheat yields in quintals per ha.	10	11	9	22	28	22	28	15	15			Andalucía	112	109	92	113	122	—	—	—	—	
	Motor vehicles per 1,000 inhabitants b	14	12	14	45	41	45	41	26	26			Galicia	112	109	92	113	122	—	—	—	—	
	Total population	3	6	23	19	16	19	16	100	100			Valencia	112	109	92	113	122	—	—	—	—	
	Active in agriculture	65	59	53	28	3	28	3	37	37			North East	112	109	92	113	122	—	—	—	—	
	" " industry	16	17	21	38	39	38	39	29	29			South East	112	109	92	113	122	—	—	—	—	
Switzerland	A					A					1949-51	1930-39	A					A					Switzerland
	" " services	19	24	26	34	58	34	58	34	34			West Centre	112	109	92	113	122	—	—	—	—	
	Wheat yields in quintals per ha.	10	17	14	25	26	25	26	18	18			Andalucía	112	109	92	113	122	—	—	—	—	
	Total population	3	3	3	17	17	17	17	100	100			Galicia	112	109	92	113	122	—	—	—	—	
	Active in agriculture	30	41	27	20	8	20	8	16	16			Valencia	112	109	92	113	122	—	—	—	—	
	" " industry	30	31	43	45	48	45	48	47	47			North East	112	109	92	113	122	—	—	—	—	
	" " services	40	28	30	35	44	35	44	37	37			South East	112	109	92	113	122	—	—	—	—	
Motor vehicles per 1,000 inhabitants b	35	35	37	55	76	55	76	65	65	West Centre	112	109	92	113	122	—	—	—	—				

<i>Austria</i>		Burgen-land		Steier-mark		Kärnten		Vorarl-berg		Wien		Austria	
Total population		B		A		7		3		26		100	
Active in agriculture		A		A		16		26		3		32	
" " industry		A		A		43		38		53		15	
" " services		A		A		25		37		21		11	
Wheat yields in quintals per ha.		A		A		12		23		44		5	
		A		A		16		23		22		8	
		A		A		17		23		22		27	
		A		A		14		23		22		18	
		A		A		14		23		22		27	
		A		A		14		23		22		27	
		A		A		14		23		22		27	
		A		A		14		23		22		27	
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		A		A		14		2					

In the poorest regions of the southern European countries, three-quarters of the population draws its income from exceedingly primitive agriculture. Farming in these regions is in many cases extensive as in the latifundia of Portugal south of the Tejo, the Spanish Meseta and eastern Turkey; but in Galicia, south-eastern Spain, the Turkish Black Sea coast, Thrace, and the Yugoslav southern provinces, the land is divided into very small peasant holdings. In general, the fertile areas are most heavily populated, so that differences of income per head are reduced. In Spain the difference in population density in agriculture between the infertile and fertile regions is nearly sufficient to redress the balance of agricultural *per capita* income. In Thrace and in the Black Sea region of Turkey, the pattern of settlement is distinctly perverse: population density is greatest on low-quality soil and, in spite of specialization in such intensive occupations as tobacco cultivation and fruit growing, *per capita* income is very low even in relation to generally prevailing low standards; moreover, the market for the products in which these regions specialize is mainly external and subject to wide fluctuations.

In under-developed countries poverty is generally less closely dependent on purely natural conditions than in richer countries. The natural resources of the more advanced parts of poor countries are by far the best known, and, except where national needs put a premium on particularly favourable features of the backward regions (as is the case for the expansion of wheat production in southern Portugal and the improvement of livestock breeding in eastern Anatolia) the tendency is for these countries to concentrate the bulk of their limited investments on those areas which are most favoured in terms of known resources and social capital, and which are therefore likely to pay quicker dividends. It is not surprising therefore that not only has industrial development continued to be most rapid in the old centres, but progress in agriculture and education (measured by the degree of literacy) has also generally been least rapid in the poorest regions. In recent years, however, comprehensive efforts of regional planning in some of these countries are beginning to bear fruit.

Regional Changes in the More Advanced Countries

There is a general tendency for economic development to concentrate where it has already reached the highest levels. Both in Poland and Czechoslovakia most of the development in the inter-war period¹ took

¹ Post-war regional problems and policies in these countries are dealt with in Section 5.

place in the most industrialized regions and eastern Poland and Slovakia remained in a state of extreme poverty and backwardness.

In Italy and France, too, the gap in economic development between regions has been steadily growing. In both of these countries, the differences in the degree of industrialization as between regions² are considerably larger than in the other industrialized countries, and employment in industry is expanding fastest in the most industrialized regions. Moreover, in both Italy and France, agricultural productivity is very low in the poor regions and is also making less progress there than in the rich regions. The population factor, however, acts differently in the two countries. In Italy the situation of the poor southern regions is made still more difficult because natural population increase has been faster there than in the rich, and internal migration is kept at low levels because of unemployment in the rich districts. In France, on the contrary, the much more favourable employment situation in the rich regions has resulted in migration on such a scale that some of the poor regions have become depopulated to a considerable extent. This is true of the mountain districts in the centre and south-east of France and of many parts of the west and south-west, but not of Brittany, which has a considerable agricultural surplus population even at the existing low standards of mechanization in agriculture.

Depopulation of the countryside in France has been of far greater dimensions than in other European countries. In other countries too, for instance in Sweden and Norway, unfavourably situated valleys and many villages have lost a large share of their population during the process of industrialization and urbanization; but in those countries many of the migrants have moved only to the regional centres and the population of the region as a whole has, in most cases, continued to grow, although much more slowly than in the richer regions of the country. In France, on the contrary, stagnation in total population and strong centralization, both administratively and economically, have combined to make population decline a normal phenomenon throughout the country, while only the richest regions and a few large towns continued to expand. Of the 90 departments of France, two-thirds reached their maximum population in the nineteenth century and no more than 20 continue to grow. While population in all the poor regions listed in Table 71 is no higher, or even lower, than a hundred years ago, it has increased by some 75 per cent in the rich north-eastern region.

² As measured by the share of active population in industry (see Table 70).

Table 71
LONG-TERM TRENDS IN POPULATION

Country and region	Index of population				Population (Thousands)	Inhabitants per square kilometre
SPAIN	1857	1900	1930	1950	1950	1950
+ Central		100	127	144	4 008	27
+ Galicia		100	113	132	2 605	90
+ Andalucía		100	130	158	5 605	64
Rest of Spain		100	128	153	15 759	65
Total Spain	83	100	127	150	27 977	56
ITALY	1861	1901	1931	1951	1951	1951
+ Sicilia	100	148	162	185	4 462	174
+ Southern Mainland	100	125	142	173	11 907	163
+ Sardegna	100	131	162	209	1 274	53
Piemonte-V. d'Aosta	100	120	125	127	3 608	126
Lombardia	100	129	166	195	6 561	276
Other Northern Italy	100	130	190	206	19 326	154
Total Italy	100	129	163	185	47 138	157
FRANCE	1851	1901	1931	1954	1954	1954
+ Corse	100	125	126	103	244	28
+ Massif Central	100	92	74	65	1 165	33
+ Bretagne	100	111	104	102	2 339	83
+ South West	100	102	93	95	10 014	52
North East and Paris region	100	139	163	173	15 178	158
Rest of France	100	109	113	114	13 834	72
Total France	100	114	117	120	42 774	78
GERMANY ^a	1871	1910	1939	1950	1939	1939
+ Ostpreussen	100	123	143	..	2 488	67
+ Pommern	100	120	139	..	1 895	61
					1950	1950
+ Schleswig-Holstein	100	154	187	307	2 595	166
+ Bayern	100	142	167	217	9 185	130
Western Germany	100	157	184	223	47 696	194
NORWAY	1855	1900	1930	1950	1950	1950
+ North	100	197	256	306	404	4
+ West Coast	100	131	149	168	289	9
+ Oppland	100	101	120	139	160	7
Rest of Norway	100	153	194	226	2 424	17
Total Norway	100	150	189	220	3 277	11
SWEDEN	1850	1900	1930	1953	1953	1953
+ North	100	220	318	381	484	3
+ Gotland	100	118	127	129	58	19
+ South East	100	119	119	121	543	24
Rest of Sweden	100	149	180	213	6 107	27
Total Sweden	100	147	176	206	7 192	18
UNITED KINGDOM	1851	1901	1931	1951	1951	1951
+ Northern Ireland	100	86	86	95	1 370	97
+ Highlands	100	89	74	72	286	8
Rest of Scotland	100	165	183	193	4 810	107
+ Wales	100	174	223	223	2 597	125
England	100	182	223	245	41 147	316
Total United Kingdom	100	172	207	226	50 210	206

Source : Population censuses of the various countries.

NOTE. — For a detailed description of the regions see Appendix B.

^a Partly estimated.

+ Poorer regions.

Although natural conditions for agriculture are poor in some of the under-developed provinces of France and Italy, as well as in Poland and Czechoslovakia, these facts of geography are only a minor element in explaining the wide regional gaps in economic levels which have developed in these countries. The unification of Italy, under the political hegemony of the northern part of the country, was followed by a long period of decay in the south and expansion in the north.¹ Political factors were of major importance also in shaping the industrial pattern of Poland and Czechoslovakia. Before the creation of the national States at the end of the first World War the ruling classes in those territories were often more influenced in their investment decisions by political considerations and national group interest than by purely economic factors. The case of France is somewhat different, because easy access to coal and iron in the north-east was a powerful element in causing the large regional differences, but strong political centralization and the consequent radiation of the whole transport network from Paris was of major importance too. The result was that the growing utilization of energy in the form of oil and electricity, particularly hydro-electricity, although causing some industrialization in the northern part of the Alps, was unable to reverse the trend towards concentration in the north-east, and depopulation continued in many regions.

In the sparsely populated countries of Norway, Sweden and Finland, as in Switzerland and Austria, hydro-power or discoveries of mineral resources have tended to shift the balance between the regions. Industrialization has been very rapid in all these countries during the last two decades and the shift of population from agriculture to industry has been large even in the poor areas, although part of the population surplus has continued to migrate from the poor to the rich areas. The improvements that have taken place in the poorest areas were, however, by no means sufficient to eliminate the regional inequalities in development and income; in particular, the northern regions of the Scandinavian countries have lagged behind, a fact which is accentuated by the far more rapid population growth in these districts than elsewhere.

In the major highly industrialized countries—the United Kingdom and Germany—differences in the degree of industrialization as well as in incomes within broad regions are relatively small. It would be tempting to argue therefore that regional disparities

are only a temporary phenomenon in the process of industrialization and can be expected to disappear with rising economic levels even in the absence of particular regional policies. It should be remembered, however, that industrialization in the United Kingdom was accompanied by population decline and economic stagnation in the region which is now the Irish Republic and that regional differences in Germany were much larger before the predominantly agricultural regions east of the Oder and Neisse were incorporated in Poland and the Soviet Union.²

In such densely populated countries as the United Kingdom and Belgium, the problem of congestion or of structural unemployment in some of the highly industrialized districts is causing more concern than problems of under-developed or depopulated regions, although the United Kingdom has such problem areas in the north of Scotland and in parts of Wales. Congestion becomes still more serious in western Germany and the Netherlands, where density of population is combined with rapid population increase.

The Impact of Refugees on the Regional Problems of Western Germany

In western Germany, the pressing need of finding immediate shelter and food for over 8 million refugees who suddenly poured into the Western Zones at the end of the war—and later for the 2 million further refugees from the Eastern Zone—swept aside all consideration of the development of problem regions of old standing. The emergency situation required hurried day-to-day decisions, since the concentration of a vast number of people devoid of any occupation and means of livelihood produced great hardship and constituted a grave political problem. Refugees were therefore directed to those regions which, owing to their predominantly agricultural structure, had suffered least war damage and where emergency accommodation, as well as food, could most readily be found.

There were two possible lines of approach for remedying the over-population and the extremely high unemployment ratio in the main refugee regions. One was resettlement in other parts of western Germany, and the other the creation of employment opportunities on the spot. Since the size of the problem was overwhelming and time was pressing, resettlement was the first solution to be tackled. The Government worked out three consecutive resettlement programmes whereby some 600,000 refugees were to

¹ For a further description, see *Economic Survey of Europe in 1953*, pages 131 *et seq.*

² In the 'thirties, income per head in both East Prussia and Pomerania was around half of that of Schleswig-Holstein and also quite considerably below that of Lower Saxony and Bavaria, the other two poorest regions of western Germany at present.

be moved from the most burdened provinces—Schleswig-Holstein, Lower Saxony and Bavaria. The resettlement was carried out according to quotas established for each programme. After some experimentation with the distribution of quotas among the receiving provinces on the basis of what turned out to be inadequate criteria, government-directed migration was adapted to the main flow of free migration which had moved to the old concentration regions of Nordrhein-Westfalen, the Rhein-Main and Rhein-Neckar regions and industrial parts of Baden-Württemberg. Thus, both government-sponsored and free migration followed the pull of the great industrial centres.

Although, as will be shown in a subsequent section, some measures were taken to assist the development of the new problem regions, these remained on a relatively modest scale. Thus, under the pressure of circumstances, an opportunity of decentralization through the employment of the refugees on the spot was lost and the task of developing the problem regions was rendered more difficult in the long run by the exodus of skilled workers to the highly developed regions, whereas those who remained were often of a type difficult to integrate. The situation is most problematic in the poorest region, Schleswig-Holstein, which has had the largest increase in population and the lowest increase in industrial production. In that region, in contrast to other regions of western Germany, industrial production has increased less than population, and unemployment in June 1954 was 12 per cent against 3 per cent in the Ruhr.

Austria and Finland also had to face a serious problem of integrating refugees into their economies; but, unlike western Germany, the influx was not concentrated on the poor regions and the refugees could be absorbed without increasing the regional disparities in those countries.

The Effects of Migration

The short review of regional differences in European countries given above can be summarized as follows: the gravest problems of regional under-development are found in countries where the rate of growth of industry has been insufficient to absorb the population surplus even in the most industrialized regions, so that the way to emigration from the poor regions has been barred (except for possibilities of emigration to other countries). Where industrial expansion in the rich regions has been more rapid, the difficulties of the poor regions have been alleviated by migration of part or most of the population surplus. However, in some poor regions, in particular in France

and Ireland, either the natural increase has been negligible or much smaller than net migration from the region, so that total population has declined.

While emigration of part of the population surplus is often desirable from the point of view of the poor area, the effect has been quite different where migration has caused a decline in total population in whole regions. The exodus of a large share of the younger generation, the decline in investment needs following from depopulation, the increased burden when there are fewer to pay for the upkeep of public and private services all combine to produce an atmosphere which paralyses technical and economic progress. In such circumstances the ensuing shortage of agricultural manpower is likely to result in part of the land being taken out of cultivation rather than in mechanization and other labour-saving improvements. Thus, in a region whose population is declining, the labour shortage, instead of being the highroad to a rational and modern agriculture, leads only to a decline in total agricultural output. Even if, in this process, production is concentrated on the better lands, productivity, either per man or per hectare, is unlikely to increase significantly.

Owing to the rapid growth of population, which until recently was normal for European countries other than France, the continued expansion of industry in the old centres has only rarely led to an absolute decline of population in the less industrialized regions. The migration towards the traditional centres of industry has caused much concern in some countries because it added to the congestion in the receiving regions, but at least when the absolute numbers engaged in agriculture did not decline, it was considered an advantage from the point of view of the region of departure. With the modest increase in population which can be expected in the next decade, this situation is bound to change. If industrial expansion continues to be more rapid in the old centres of industry than in the less industrialized regions, the resulting migration will cause an absolute population decline and changes in the age structure which, in turn, will lead to stagnation and decay in many regions.

In these countries demographic developments increasingly give rise to a serious dilemma: on the one hand, it is essential that agriculture should be modernized in the backward regions, and this normally involves a decline in the agricultural population. On the other hand, it is desirable, for the reasons just mentioned, to avoid a decline of total population in those regions. The only escape from this dilemma is in a policy of industrial decentralization, the conditions and methods of which will be discussed below.

Short of policies aiming at a genuine equalization of levels of productivity, there remains the possibility, at least for the richer countries, of alleviating the social effects of regional discrepancies through income transfers from the rich to the poor areas. In fact many countries pursue such policies, partly in the form of financial transfers, and partly in the form of tariff protection or price support to products which are of basic importance to the economy of poor regions. But for the consideration given to the interests of poor regions, prices for certain agricultural products would probably be lower than they are in many countries. This form of regional policy has, however, certain inconveniences: first, it gives help to producers other than those it was intended to help, and therefore

lays more burdens than necessary on consumers or on the public budget; secondly, it does not provide a true solution because it raises income instead of productivity, and may thereby even reduce the incentive to improve productivity, for instance by migration to other regions or to other occupations within the same region.¹ When the increasing social cost of incorporating new inhabitants and new industries in the already congested areas is added to the cost of supporting poor and perhaps depopulated regions, the total sum may well become very much larger than the costs of industrial decentralization.

¹ For a more detailed discussion of these problems, see *European Agriculture—A Statement of Problems*, ECE/FAO, Geneva, 1954, Chapter 3, pages 33 *et seq.*

2. THE ECONOMIC STRUCTURE OF UNDER-DEVELOPED REGIONS

The preceding section has shown the great variety of regional problems in Europe. Nevertheless, it was found that certain characteristics are common to nearly all the poor regions. Thus, the share of population occupied in agriculture is higher and the share in industry lower in poor than in rich regions inside the same country, the main exceptions being certain areas in the United Kingdom and Belgium, where a very large proportion of the population is engaged in industries which have been or are still depressed, such as coal and shipbuilding in the case of the United Kingdom and textiles in both countries. There is a less clear rule as to the variations in employment in services between rich and poor districts (as can be seen from Table 70). A large share of the population engaged in services may be a genuine sign of high living standards, but it may also be an indication that the region is congested and many people have to be employed in local transport; for both reasons, there tend to be more people employed in services in rich districts. In regions with too scattered a population, however, a large share of the population may likewise be absorbed in services such as distribution, administration and transport, and lack of other employment possibilities may swell the numbers in services although the amount of services provided is small. The last two cases explain why some poor regions have a very great number of people employed in services.

Since differences in the degree of dependence upon agriculture are the main structural differences between poorer and richer regions inside the same country as well as between poorer and richer countries, it is not surprising that the pattern of commodity trade as between regions likewise corresponds to that between countries: the poorer regions do as a rule export food,

forest products and raw materials derived from agriculture to the richer regions and import manufactures and services.² The analogy does not, however, hold for mineral raw materials. These are often exported by under-developed countries, but under-developed regions export them only rarely to rich regions inside the same country because processing of such raw materials, if it takes place at all in the country, will normally be carried out near their extraction.

The Development of Agriculture and of the Extractive Industries

A large part of the discussion about the possibilities of development of under-developed countries has centred round the problem of the relative merits of developing either agriculture or industry or both at the same time, and the last solution is generally favoured. When this problem is posed for under-developed regions inside countries in Europe, the choice will never be "either or" since very few regions can be developed by means of improvements in agriculture alone, and at least some improvements in local agriculture will always be a necessary element in any co-ordinated effort to develop a backward region. In exceptional cases, extensive schemes for irrigation or other land improvement may make it possible to absorb all labour that has hitherto been unemployed or employed in occupations of low productivity, but such a solution requires not only rather exceptional conditions in the region itself, but also that a market for a large share of the increase in agricultural production can be found inside or outside

² There are exceptions, of course, one of the most important being tourism in poor regions.

the country. It is this last condition which does not seem to be fulfilled for some of the ambitious proposals for developing large regions of France exclusively by means of irrigation and other improvements of agricultural land.¹ In cases where the demand for food in the richer regions is relatively inelastic and the expansion of export markets cannot be counted upon, or in cases where the natural conditions for agriculture in the region that should be developed are so poor that more intensive production could not compete with production in other regions, the means to develop the region must consist solely in the implantation of non-agricultural activities. On the other hand, once such activities are started, local demand may increase for certain foodstuffs with particularly high transport costs and this may then make it possible to intensify agriculture somewhat. For instance, the measures to increase agricultural production contained in the development scheme for northern Norway are meant to meet these secondary demands only, while the basic development is to be provided by industrialization.

Even where it is possible, as it may be in limited districts in southern Europe, to base development of a poor district mainly on improvements in agriculture, this will nearly always necessitate certain investments in transport facilities and in manufacturing industry, particularly food processing. Where a development programme for a region is based mainly on utilization of mineral or forest resources, it will also inevitably involve considerable investments in transport and processing industries. It has already been noted that in less developed countries some poor regions are rich in unexploited mineral resources and this would probably prove to be true for many more if geological prospecting were made more systematic than at present.² Even in much more developed countries like France and the Netherlands, modern prospecting has in recent years brought evidence of hitherto unknown mineral resources in some of the poorer regions.³ Utilization of these resources will in nearly all cases require assistance from Governments in the form of improvements in transport and other social capital, and in some cases also in the extraction and processing, because these activities may involve the investment of risk-taking capital in larger amounts than are likely to come forth from private sources. The State-financed steel industries

utilizing local ore in northern Norway and northern Sweden and the State-owned copper mines in eastern Finland provide examples of this.

It is well known that lack of public services, in particular power and means of transport, is a very important hindrance to the development of backward regions in the poor countries of Europe, but even in countries which have reached a fairly high stage of industrialization, their inadequacy may be the decisive bottleneck which prevents profitable economic activities in the poor regions. Thus, for instance, although the continued shortage of timber in the post-war period has made forestry extremely profitable, there still exist enormous forest districts in the poor regions in the north and east of Finland where the trees are going to waste because of lack of roads or railways to bring them out.⁴ If, on the other hand, means of transport were provided, processing industries would have to be built in the region in order to make possible the utilization of waste and inferior qualities of timber. Similar cases where simultaneous development of social capital and of extractive industries and the expansion of processing are able to produce substantial results exist in parts of eastern Europe. For instance, the development plan for Slovakia consists of such co-ordinated measures to promote extractive industries (forestry and mining) as well as agriculture and at the same time to set up manufacturing industries processing the expanding output of raw materials. By such consolidated schemes a region avoids too narrow specialization and a varied range of employment possibilities is opened up to local labour. Moreover, the region is protected against the risk of becoming a depressed area at a later stage owing to excessive specialization in one or a few products, a risk which is all the greater when the products are raw materials.

In southern Europe the forestry problem is of a quite different nature. In these countries, as well as in southern France, deforestation, often continuing up to recent times, has transformed large areas into barren mountain pastures, which have been further deteriorated by over-grazing, while hillsides and adjacent lowlands suffer from erosion and a disturbed water economy. This destruction of natural wealth

¹ For a discussion of this problem, see Chapter 7.

² See *Economic Survey of Europe in 1953*, Chapter 13.

³ For instance, mineral oil has recently been found both in one of the poor regions in the Netherlands and in the south-west of France. Moreover, uranium has been discovered in the Massif Central and in Brittany, and coal in the Jura.

⁴ In the district of Maanselkä in north-east Finland alone about 260,000 ha. of forests could be brought within the border line of economic utilization by building a forest railway which would have to transport 13,000 wagons of timber a year. On shorter distances also there may be great advantages in improving transport; in one case, for instance, a road—4 km. long—which had cost 3.75 million Finnish marks to build was already after six years' use able to save transport costs of 8.6 million Finnish marks by shifting from horse to truck transport. See Henrik Gripenberg, "Aktuella spörsmål inom vårt skogsbruk", *Ekonomiska Samfundets Tidskrift*, Helsinki, 1954.

has been an important cause of the impoverishment of some of the most destitute regions in southern Europe.¹ The problem of recovering the lost forestry resources is exacerbated by the fact that reafforestation is a long-term investment. Hence, this investment, although tremendously productive in the longer run, tends to be given a relatively low priority in countries which are struggling with short-term problems and where the investment decisions are coloured by the shortness of the perspective of private investors.

The Location of Manufacturing Industry

Among the poor regions of Europe, under-developed as well as depressed, there are many which have very few or no natural resources which it would be economically advantageous to develop. In such regions the choice is between depopulation or establishment of such manufacturing industries as need not be located near their raw materials.

A statistical method of determining the extent to which various industrial branches are concentrated in particular regions or dispersed over the country has been devised by Professor Sargant Florence, whose coefficients of localization² measure the degree of geographical concentration of a particular industry. Inter-country comparisons based on such coefficients are naturally subject to considerable qualifications, mainly due to differences in the size of regions and the density of their population, but they can nevertheless be usefully employed as illustrations of the general framework of location.

It is seen, for instance, from the comparison of coefficients of localization for Sweden, the United Kingdom and the United States in Table 72 that the coefficients show both considerable agreement as to the overall localization and divergences where special factors operate in one of the countries. The processing industries mentioned above, which tend to be located near their raw material sources (that is, food processing industries, pulp mills and the first stages of processing of textile fibres and ores), show high coefficients, indicating a large degree of concentration in certain regions, except in cases where they are based on raw materials produced all over the country or on raw materials which are mainly imported from other countries. Apart from these raw-material-oriented industries, high coefficients are found in some indus-

tries where the optimum size of the plant is very large. In these cases, the high coefficients are explained by the fact that employment is concentrated in a few large plants the number of which is smaller than the number of regions chosen. (There are, of course, many more such industries in Sweden than in the two other countries in the table, which have a much larger population.) The high coefficients for these large-scale industries do not necessarily indicate that one particular location is more favourable than another. The group of industries with very low coefficients includes, apart from some of the raw-material-oriented ones mentioned above, some for which the final product is much more expensive to transport than the raw material (concrete products, beverages), and some which have to be freshly made each day (bread, newspapers).

In between these extremes there is the bulk of manufacturing industries with location coefficients somewhere between 30 and 50. This group includes some of the industries with very large numbers of employed: the metal-using industries, chemicals, more advanced stages of textile production, clothing and many other industries manufacturing a large variety of goods. These, together with the large-scale industries mentioned above, provide the field for policies attempting to influence the regional dispersal of manufacturing, and it is therefore of importance to investigate in which regions they are actually located in European countries. Table 73 throws some light on this question.

The table shows a very characteristic difference between the industrial structure of rich and poor areas, which is accounted for by wide divergencies in a few important branches of industry: in under-developed regions, textile, metal, metal-using, and chemical industries hardly exist, while they are the predominant branches in all the rich regions. Differences in employment between rich and poor regions are much less pronounced in such branches as the clothing, food-processing, wood and building-materials industries, as well as in building activity partly because in the poor regions larger numbers in handicrafts tend to counterbalance the smaller numbers in industry proper. This difference in industrial structure between rich and poor regions is much more pronounced in Spain, Italy and France than in western Germany and the United Kingdom, but it is clearly discernible also in the latter countries. In Spain, the richest regions employ ten times as many in the first group of industries as the poor regions, while in the rich industrialized regions of the United Kingdom only 25 per cent more are employed in this group than in the poor regions.

¹ According to an estimate made in the ECE/FAO study *European Timber Trends and Prospects*, Geneva, 1953, barren areas in the whole of Europe, which could again become productive through afforestation, extend over 7 to 8 million hectares, a large part of which is to be found in southern Europe.

² For an explanation of the method used, see note in Table 72.

Table 72. — COEFFICIENTS OF INDUSTRIAL LOCALIZATION

Range 0.00-1.00

United States classification	United States 1939	Sweden 1950	United Kingdom 1930
Canned fish	0.83	0.67 ^a	0.66
Cotton seed oil	0.81	0.72	0.35
Beet sugar	0.74	0.64	..
Cotton thread, weaving	0.73	0.57 ^b	0.72
Cotton thread, spinning	0.73	..	0.69
Furs	0.67	..	0.68
Textile machinery	0.66	..	0.50
Motor vehicles and bodies	0.62	..	0.45
Creamery butter	0.59	0.18 ^c	0.33 ^d
Agricultural machinery	0.59	..	0.41
Pulp mills	0.58	0.73	0.25
Cigars and cigarettes	0.55	0.55	0.36
Woollen and worsted	0.54	0.44	0.66
Electric machinery	0.52	0.50	..
Steelworks and rolling-mills	0.51	0.65	0.42
Dyeing and finishing	0.51	0.48	..
Jewellery	0.51	..	0.62
Machine-tools	0.51	..	0.34
Blast-furnaces	0.49	..	0.35
Knitted cloth	0.48	0.46	..
Screw-machine products	0.48	..	0.53
Cutlery, edged tools	0.48	..	0.72
Glass tableware and containers	0.47	0.60	..
Shipbuilding	0.46	0.61	0.45
Office furniture	0.45	..	0.25
Preserved, canned, dried fruits and vegetables	0.44	..	0.27
Planning-mills	0.42	0.41	0.25
Wooden boxes	0.41	..	0.24
Bolts, nuts, washers, etc.	0.40	..	0.53
Rubber products	0.38	0.66	0.35
Cordage and twine	0.37	..	0.26
Men's and boys' shirts	0.37	..	0.34
Leather, tanned and cured	0.36	0.54	0.22
Bookbinding	0.35	0.53	0.25
Household furniture	0.39	0.36	0.25
Chemicals	0.34	..	0.31
Wire rods	0.33	..	0.31
Tools	0.32	..	0.65
Bricks and tiles	0.29	0.41	0.28
Paints, varnishes, lacquers	0.29	0.52	0.24
Paper and paper-board mills	0.28	0.39	0.25
Confectionery	0.28	0.41	0.23
Non-alcoholic beverages	0.25	0.48	0.18
Concrete products	0.22	0.23	0.22
Newspapers	0.20	0.36	0.30
Biscuits	0.19	0.22	0.29
Bread	0.14	0.22	0.22

Sources : United States : National Resources Planning Board, *Industrial Location and National Resources*, Washington 1943, pp. 108-113; United Kingdom: P. Sargent Florence: *Investment, Location and Size of Plant*, Cambridge 1948, pages 192-193; Sweden: calculated from *Industri, berättelse för år 1950*, Kommerskollegium, 1953.

NOTE. — The calculation of the coefficient of localization for a particular industry is done in the following way : first, the percentage share for the region of workers in that particular industry is calculated for each of the regions; secondly, and for the same regions, the percentage share of workers in *all* industry is calculated; and thirdly, the positive differences between the two sets of percentages are added (the negative and positive differences would cancel out). Finally, the coefficient is obtained by dividing this sum by 100. Thus, for example, if regions A, B and C have respectively 70, 20 and 10 per cent of total national employment in a particular industry, and 20, 10 and 70 per cent of total industrial employment, the differences for each of the

regions would be +50, +10 and -60 respectively, and the localization coefficient 0.60.

Owing to the insufficiency of data, the size and number of regions is different for the three countries shown in the table: thus, the coefficients for the United States have been calculated on the basis of thirty-four basic areas with an average population of 4 millions and an average size of 230,000 sq. kms., the United Kingdom coefficients on the basis of seventeen areas with an average population of 2.8 millions and an average size of 14,000 sq. kms., and the coefficient for Sweden on the basis of twenty-five areas with an average population of 280,000 and an average size of 18,000 sq. kms.

^a Including canning of other products than fish.

^b Including spinning.

^c All dairy products.

^d Including cheese and margarine.

Table 73
REGIONAL DIFFERENCES IN DISTRIBUTION OF ACTIVE POPULATION BY BRANCHES OF INDUSTRY
Number of active persons per thousand persons in age group 15 to 64

Country and region	Group 1				Total Group 1	Group 2					Total Group 2	Other industry	TOTAL INDUSTRY
	Textiles	Metals	Engineering	Chemicals		Clothing	Food	Wood	Paper and printing	Building materials	Construction		
SPAIN													
+ Galicia	1	—	10	—	11	8	6	14	1	17	1	47	73
+ Central	1	—	8	1	10	3	9	7	1	13	4	37	63
North Coast	5	7	37	2	51	9	8	16	8	27	15	83	223
Catalunya	99	5	32	8	144	21	13	17	9	33	4	97	305
ITALY													
+ Sicily and Sardinia	1	1	13	3	18	19 ^a	25 ^b	13	2	6	14	99	122
+ Southern Mainland	6	2	16	3	27	21 ^a	33 ^b	14	3	6	16	96	130
Central	13	5	22	9	49	18 ^a	17 ^b	11	9	13	26	102	159
North	50	10	61	13	134	20 ^a	21 ^b	15	8	10	24	101	248
FRANCE													
+ Massif Central and Bretagne	9	25		2 ^c	36	21	14	6	3	2	29	81	139
+ South-West	7	36		8 ^c	51	25	15	9	6	4	32	96	175
North-East	42	50		7 ^c	99	21	20	8	6	7	44	141	268
Paris Region	4	93		15 ^c	112	35	14	9	19	4	37	119	283
WESTERN GERMANY													
+ Schleswig-Holstein	7	4	49	5	65	15	29	14	7	7 ^d	60	134	212
+ Bayern	21	4	59	6	90	26	26	24	9	13 ^d	57	157	272
Baden-Württemberg	36	6	96	9	147	26	23	27	12	9 ^d	56	154	337
Nordrhein-Westfalen	27	31	73	13	144	20	20	19	8	9 ^d	50	181	343
UNITED KINGDOM													
+ Northern Ireland	86	1	64	2	153	35 ^a	27 ^b	6	7	4	47	129	292
+ Scotland	37	20	88	9	154	12	29 ^b	9	16	7	41	143	317
East and West Ridings	78	34	99	14	225	24	23 ^b	8	12	10	34	163	407
Midland	15	44	213	7	279	7	23 ^b	7	9	33	34	135	442
London Region	4	4	99	14	121	23	23 ^b	13	26	7	49	143	296

NOTE. — For coverage of groups and classes see Appendix B.

^a Including footwear.

^b Including tobacco.

^c Including extraction of petroleum and the manufacture of natural gas, rubber, tobacco and matches.

^d Including extraction of stone, clay and sand.

+ Poorer regions.

It is natural to ask the question if it is poverty itself—i.e., the narrowness of the local market—which has kept industries like engineering and textiles away from the poor regions, or whether it is the absence of these industries which is the main explanation of their poverty. There is no simple and uniform answer to this question. First of all, it should be noted that none of these industries would seem to be particularly dependent on nearness to their customers, a statement that needs no further proof than the fact that they account for a very large share of European exports. The pronounced tendency to locate these industries in already highly industrialized regions or, in the case of engineering, in the biggest towns, is no doubt much more due to the attraction of a big labour market than to the advantages of a big market for sales of the products. This is in particular the case for large-scale industries which will normally have sales agencies in other localities than the place of production.

The attraction of a large market for labour already possessing some skill or at least some adaptation to work in factories is no doubt a very important location factor for particular industries in the least developed countries of Europe, and it was equally so in the early stages of industrialization in the countries that are now highly industrialized. This is probably the main explanation why some branches of industry that are more scattered over the territory in the United States and Sweden show a very high regional concentration in the United Kingdom. Cotton¹ and wool processing, cutlery and hand tools—some of the oldest British industries—started their existence in isolated spots of capitalist development, as industries still do today in some southern European countries. Once they were started, they were maintained by tradition, including the traditional skill of the labour force in the original locations. So the original centre continued to grow and prosper until the day came, for some of them, when structural decline revealed the dangers of too high a degree of regional specialization. Other industrialized countries, too, show examples of such early specialization, although to a lesser extent than

in the United Kingdom. Thus, the French silk industries are centred in Lyons and production of cutlery in Thiers and Nogent. Another example of regional specialization is provided by the watch industries in western Switzerland, eastern France and south-western Germany. Some of these industries developed originally in regions which had no particular location advantage other than that their agriculture was so poor that the need for secondary employment made labour extremely cheap. It would be interesting to know how far these industries still obtain real advantages from their geographical concentration and how far they are now kept there by pure tradition. The much lower and, as it seems, “normal size” localization coefficients shown for some of these industries in more newly industrialized countries suggest that tradition may be the main explanation. It could be added that a British Government report of 1940² analysed the behaviour of some of the industries traditionally located in London and found that those plants which had been located outside London had proved just as able to resist the depression of the 'thirties as those located in London.³

It is commonly assumed that room for manoeuvre in policies of industrial location is seriously restricted by the fact that skills for a certain industry or group of industries have accumulated during generations in traditional centres. It may well be, however, that the importance of this is often exaggerated. For a wide range of industries, the skills required of the bulk of the labour force can be easily developed once training facilities are available. But, as can be seen from Table 74, the present distribution of technical schools is very uneven. The figures suggest that the insufficiency or complete lack of facilities for industrial training in the less industrialized or under-developed regions is an important factor tending to project the existing distribution of industry into the future.

² *Report of the Royal Commission on the Distribution of the Industrial Population* (Barlow Report), Cmd. 6153, January 1940, page 272.

³ The advantages for small firms in the same branch of industry being located together, thereby benefiting from common services (auxiliaries, repairs, etc.), have often been stressed. The recent tendencies for large firms to break up their production into several fairly independent departments, often located very far from the main operating unit, seems to point to the limited importance of this in countries benefiting from modern transport facilities. Such tendencies of geographical spreading of large firms are visible not only in the United States but in Europe as well, for instance in the Netherlands and Switzerland.

¹ A high coefficient of localization for the cotton textile industry is also apparent in the United States but the reasons are different: two-thirds of the employment in the cotton industry is in the three southern states of North Carolina, South Carolina and Georgia, which together accounted for only 7 per cent of total employment in manufacturing (the figures relate to 1939). The attraction of these states is due not only to the nearness to raw material supplies but also to lower wage rates and lower taxes.

Table 74
STUDENTS IN TECHNICAL SCHOOLS
BY REGIONS

Country and region	Number of students per thousand inhabitants
SPAIN	
+ West Centre	1
+ Andalucía	2
Catalunya	7
Guipúzcoa, Vizcaya	9
PORTUGAL	
+ East Centre	1
+ North	3
Pôrto Region	7
Lisboa Region	17
ITALY	
+ Sicilia	7
+ Southern Mainland	8
Piemonte, V. d'Aosta	13
Lombardia	15
AUSTRIA	
+ Burgenland	8
+ Steiermark	16
Vorarlberg	30
Wien	21
WESTERN GERMANY	
+ Schleswig-Holstein	37
+ Niedersachsen	41
Baden-Württemberg	50
Nordrhein-Westfalen	45
NORWAY	
+ West Coast	2
+ Oppland	1
South East	5
Oslo Region	6
UNITED KINGDOM	
+ Northern Ireland	21
+ Scotland	22
England and Wales	31

NOTE. — Figures are not comparable between countries; in particular it is not known to what extent evening students are included.

+Poorer regions.

Institutional Factors which prevent the Decentralization of Industry

A number of institutional factors have the effect of perpetuating and even accentuating the existing location pattern of industry. One of these factors, the insufficient availability of social capital in the

poorer regions, has already been mentioned. Another factor has been the reduction in regional wage differences brought about by the growing strength of trade unions and the introduction of social considerations into national wage policies. In some countries in Europe, the range in wages still shows considerable differences between regions, but in others regional wage differences have almost ceased to exist except for somewhat higher wages in the largest towns as a compensation for the higher cost of living. In economic theory, it is normally assumed that there are two mechanisms, both related to income differentials, through which the population in backward areas within a country should be able to overcome their disadvantages, one of these being migration, the other the tendency to attract through lower wages those industries for which the location disadvantages are smallest. While, as shown above, migration has actually been very important in relieving population pressure in the poor regions in most countries, it is clear that the small regional wage differences now prevailing in a number of countries are wholly unable to compensate industries for the many other drawbacks confronting them in the under-developed regions. In Sweden and Finland, the situation in this respect is rather paradoxical because nominal wages have been fixed at a level about one-third higher in the poor northern regions than in the rest of the country to compensate for the higher living costs and other disadvantages there. This has been possible because export prices for the main products of these regions (iron ore and forest products) are very favourable, but it does, of course, act as a brake on the expansion of other industrial production in these regions.

In a number of European countries, such as the United Kingdom, Germany and Sweden, differences in local taxation have had perverse effects on the location of industry, either because a chronically low level of income necessitated higher tax rates to meet local expenses and this made the place unattractive as a location for new industries; or because depression in one major industrial branch led to higher taxation to meet increased expenditure for unemployment relief. Although many countries operate a system of financial transfers between rich and poor local authorities, these do not normally fully compensate for differences in taxable incomes and consequently do not offset the adverse effects on industrial location of differences in tax rates.

Imperfections in the credit market are another distorting element in regional balance, since centralized banking systems with branch banks in the provinces will usually supply credit only to large and well-established firms, and small and medium-sized busi-

nesses in poor regions often find it difficult to secure funds at reasonable terms. Moreover, not only are investment funds from the centres prevented from flowing into the provinces, but branch banks in the under-developed regions often serve as a collecting instrument of local funds for investment in the centres, thus depriving the poor regions of the productive use of their own savings. This was the case in Germany until the 'thirties¹ and has also been one of the difficulties from which southern Italy has been suffering.

In railway freight policy, the traditional and still dominant principle is tapering rates for long distances (see Table 75) and lower charges per ton/km. for raw materials than for manufactures. Part of the difference in rates does, of course, correspond to cost differences for the railways, but in many countries it goes far beyond this and amounts to subsidies for raw materials and for long hauls paid for by charging above cost for the transport of manufactures. This freight-rate policy tends to free location of manufacturing industry from being tied to raw material sources. It may, of course, have decentralizing effects

¹ The Deutsche Industriebank was set up before the war with the purpose of putting financial means at the disposal mainly of provincial banks which granted long-term credits to small enterprises.

for mining, and manufacturing from imported raw materials or from materials produced in concentration areas. More frequently, however, it will work as a centralizing factor because it reduces the advantage of processing agricultural raw materials or the products of decentralized mines on the spot rather than in the industrialized areas. An example of a measure deliberately intended to favour decentralized mines, which had a centralizing effect on manufacturing, was the choice of a fictitious base for freight rate calculations adopted by the German steel cartel in the inter-war period. Oberhausen in the Ruhr was selected as the freight base for the transportation of steel within the cartel, whereby favourably situated steel plants subsidized those in less favoured locations. This had the effect of discriminating against metal-using industries outside the base region and of attracting them to Oberhausen. On the side of the steel-processing industries this system favoured concentration, while on the side of steel production it fostered dispersal. But since the number employed in metal-using industries is much larger than that occupied in the steel industry itself, the centralizing effect of these measures was much greater than the decentralizing effect.²

² See H. Doerpumund, *Die Mittel der Industriestandortlenkung und die Grenzen ihrer Anwendbarkeit*, Bremen-Horn, 1950.

Table 75

INDEX NUMBERS OF MARGINAL FREIGHT RATES BY RAIL

Cost of first 100 km = 100

	Cost of additional 100 km after a haul of :	Italy	France	Western Germany	Netherlands	Belgium
	(kilometres)					
Coal	100	67	52	65	52	24
	200	64	39	36	20	24
	400	66	34	21		
	900	52	21	24		
Crude steel and pig-iron .	100	67	64	67	24	37
	200	63	41	50	15	23
	400	67	36	24		
	900	51	22	13		
Rolling-mill products. . .	100	66 ^a	64	73	20	37
	200	64 ^a	62	55	5	23
	400	66 ^a	60	41		
	900	51 ^a	56	16		

Source : Information supplied by the High Authority of the European Coal and Steel Community. For definitions, see Appendix B.

^a Applicable to steel rails.

While the subsidies given by the railways to the transport of raw materials tend to encourage location of the raw-material-oriented industries in the big towns, the high transport charges for manufactures provide a protection for decentralized manufacturing industries producing for local markets. The rising competition of road transport in recent years has forced railways to reduce their high rates for finished goods and, to compensate for this, to raise their highly degressive rates for raw materials. While the second measure may improve the competitiveness of some decentralized processing industries, the first reduces the competitiveness of industries producing for local markets in the poor districts. It would seem, however, that the rapid development of road transport has much more dangerous effects for local industries outside the congested areas than merely reducing the protective effect of transport costs. In fact, this protection is beginning to disappear altogether for an increasing number of commodities. This is because it becomes more and more usual for large-scale industries to sell their products at a single price throughout the whole country, a tendency that is reinforced by the growing importance of road transport. Road vehicles are often owned by manufacturing firms themselves and transport costs enter into total cost calculations. The consequence of charging the same prices everywhere is that local consumers have to subsidize the more distant ones. Decentralized industries, which do not depend on local raw materials, are thereby put in an exceedingly difficult position; they have to pay transport on their raw materials, but their competitors cover their transport costs for the finished products partially in other markets. The lack of progress made in the efforts to implant new industries in Northern Ireland, in spite of special facilities granted to local manufacturers, is supposed to be partly explained by this practice of British manufacturers of charging the same prices throughout the whole of the United Kingdom.¹

The reduced power of competition of local industries in the poor districts is not the only unfavourable effect of the practice of charging a uniform price for the whole country. Equalized prices increase the incentive for large-scale industry to settle near the large consuming centres, since the cost of transport

to more distant regions can thus be borne by a larger number of local customers.²

As previously mentioned, the growing use of electricity in place of coal facilitated industrial decentralization. The system of power rates decided in most cases by Governments or with Government agreement does, however, often discourage decentralization. This is particularly the case in some of the countries of southern Europe. Thus, the cost of electricity in the Greek provinces is about three times higher than in Athens. In Portugal, the difference is not quite so large, rates in the south amounting to one and a-half times the rate in Lisbon. The unification of electricity rates throughout the whole territory in some of the more developed countries, for instance Sweden and Finland, is an improvement over a system whereby prices are higher in the poor regions. However, this still deprives the industries in the poor mountain regions of their main location advantage. In these regions, it would be more rational for electricity to be sold at prices below the uniform national rate, because important transport losses are avoided when consumption takes place near hydro plants and it moreover seems unjustified that local consumers should share in the investment cost for long-distance transfers. Thus, it has been proposed in Finland³ that, in order to assist industry in the north, electricity should be sold there at prices 10 to 15 per cent below the uniform rate of the rest of the country. In France, public tariff policy since the war has hit industries in the Alps in a double way: freights for raw materials from the north have been increased and electricity prices have been raised and have come closer to those prevailing in the industrial centres.

More examples could be added of the various artificial impediments to the development of poor regions. The fact that all these factors interact reinforces the cumulative process of growth in the concentration areas and makes these barriers extremely powerful in preventing the spreading of industry to the poor regions. Probably these obstacles are of much greater weight in explaining the backwardness of many poor regions than any natural handicaps from which they might suffer.

¹ See C. F. Carter, "Northern Ireland—An Economic Survey: The Last Depressed Area", *The Banker*, August 1954.

² Moreover, small industries producing the same commodities may also be induced to locate themselves in the big concentration areas near the large firms, since the gap between costs and prices of the large firms will be wider than in the remainder of the country.

³ *Report of the Industrialization Committee*, Helsinki, 1951.

3. THE PROBLEM OF ECONOMIC BALANCE BETWEEN AND WITHIN REGIONS

Development of Manufacturing in Poor Regions

It is, of course, of crucial importance for any policy of regional development to determine what types of manufacturing industry can most advantageously be promoted in poor regions. As was mentioned in the preceding section, one important factor to take into account is the endowment of the region in question with natural resources and, in particular, the possibility of creating industries for the processing of local raw materials. Although possibilities of this kind are never wholly absent, they are often rather limited and, hence, the availability of local raw materials cannot be the only criterion for the choice of industries to be promoted in poor regions. The question needs to be considered in the broader context of the industrial structure of the country as a whole.

It might seem, at first sight, that when—as will occur in most cases—the industrial development of a backward region cannot be based on local raw materials alone, the best alternative would be to promote industries processing imported¹ raw materials for local consumption. It could be argued that the region would thereby reduce its dependence on imports of manufactures from the richer regions, and even in the absence of any protection for the new local industries in the poor regions, it might be thought that they would be in a better competitive position vis-à-vis the industries in the more developed regions than large-scale industries which would have to depend on exports beyond the region and, therefore, be at a disadvantage in transport costs both on their raw materials and on their finished goods.²

This reasoning is clearly one of analogy with the process by which the development of poor countries has most often been seen to take place; policies of industrialization have regularly been directed towards the substitution of imported manufactures, and the most important policy tool has been tariff protection for the new import-saving industries. It is, however, pertinent to ask whether this analogy between the development problems of poor countries and of poor regions is at all valid. As a matter of fact, the much closer economic ties between regions within a country than between countries set narrow limits to the possibilities of developing “import-saving” indus-

tries in backward regions.³ The textile industries provide an illustration of the problems involved.

As already seen in Table 73, the textile industry hardly exists in any of the under-developed regions in the countries listed. Yet the low transport costs for both raw materials and finished goods, the high labour intensity and the modest demand for skilled labour would seem to make manufacturing of textiles for local consumption a particularly promising field for expansion in the poor regions, and in certain countries, for instance in Yugoslavia, the setting up of textile industries is being used as one of the means to develop the poor regions. Most European countries have, however, excess capacity in the textile industry and employment in this branch is on the decline in a number of them. This does not hinder the continuous development of textile industries in the under-developed overseas countries, but, in the poor regions in European countries, establishment of textile industries meets with considerable opposition from the traditional textile regions, whereas the setting up in poor regions of the more dynamic branches of industry, like engineering and chemicals, is likely to encounter much less resistance.

A lot depends, however, on the overall employment situation in the country: if the country is short of capital and the richer areas suffer from unemployment and have idle capacity in the industries which it is proposed to set up in the under-developed regions, the decision to transfer some of the unemployment burden from the very depressed to the less depressed areas naturally meets with criticism from the vested interests in the richer areas, irrespective of the beneficial effects which are assumed to follow from the change in the longer run. Such a situation exists for instance in Italy, where the choice of industries to be implanted in the south is limited by the existence of mass unemployment and considerable unutilized capacity in most industrial branches in the north. In a country like Norway, on the other hand, where full employment prevails, and certain lines of industry in the rich regions which it is felt should be fostered in the national interest are hampered by labour shortage, the Government may find it easier to encourage a change in the occupational structure of the richer areas for the sake of developing their backward regions. Even where such shifts are deemed desirable, it may, however, be considered whether it is in the true

¹ From other regions or from abroad.

² This is, of course, based on the assumption—nearly always valid—that the poor regions are, at least at the initial stage of development, less favourably located from the point of view of transport either for geographical reasons or owing to previous capital investment in transport in the rich regions.

³ Economic ties between poor and rich regions may in certain respects resemble more those between a country and its colonies than those between sovereign countries.

interest of the poorer areas to be saddled with industries which, although suitable from an employment point of view because they are labour-intensive, are in structural decline. It would therefore seem more in the interest not only of the rich but also of the poor areas to concentrate development on those lines of industry which show the greatest tendency to expansion, even if they may be of the large-scale type for which the local market alone is not sufficient.

There are, however, further reasons for basing the development of backward regions not on relatively small-scale local industry of the more simple type but on the most modern and expansive type of industry. One of these reasons is to be found in the structural problems in the rich regions, the other in the long-term interests of the poor regions; these two aspects are now to be considered in turn.

The Structural Problems of the Highly Industrialized Regions

In nearly all European countries, increasing attention is being paid to the economic and social consequences of the rapid growth of population in some key towns or highly industrialized regions. The urgency of the problem does, of course, vary widely from country to country, not only because of differences in overall population density and geographical factors, but also because the degree of concentration of the town population¹ is very different, influenced as it is by historical differences in political and administrative systems. Federal States, such as Switzerland, or States which have fairly recently been constituted such as Germany, Italy and Yugoslavia, have, of course, smaller capitals than old centralized States such as the United Kingdom or France, or those which have lost territory, such as Austria and Denmark (see Table 76). On the other hand, some countries, like the Netherlands and Germany, which have no particularly large towns (measured in relation to total population) contain big regions where a large number of middle-sized towns have grown so close to one another that the whole region has become one large urban agglomeration.

It is obvious that the optimum size of towns or the optimum population density of industrialized regions cannot be decided on economic grounds alone; economic considerations are even far from being the most important in the solution of this question. A considerable number of studies have been made, mostly in the United States, but also some in European

¹ The share of total population living in towns does correlate somewhat more closely with the degree of industrialization of the country, as can be seen from Table 76.

Table 76

DISTRIBUTION OF POPULATION ACCORDING TO THE SIZE OF TOWNS

Country (in descending order of the percentage of population engaged in industry)	Population in largest town		Population in towns above 20,000 in per cent of total population ^a
	Millions	Per cent of total population	
United Kingdom	8.3	17	67
Switzerland	0.4	9	36
Belgium	1.0	11	38
Germany	3.3	5	42
Sweden	0.9	13	33
Denmark	1.2	27	45
Czechoslovakia	0.9	8	21
Norway	0.5	15	29
Austria	1.8	25	40
France	4.5	11	36
Netherlands	0.8	9	50
Italy	1.7	4	41
Finland	0.4	10	22
Hungary	1.6	17	36
Ireland	0.5	18	24
Greece	1.4	18	31
Poland	0.9	3	19
Portugal	1.0	12	16
Spain	1.6	6	40
Yugoslavia	0.4	2	12
Bulgaria	0.4	6	15
Rumania	1.0	7	17
Turkey	1.0	5	15

Sources : *Demographic Yearbook*, United Nations, 1952; national censuses of population, France : *Population*, January-March 1952; and Switzerland : *Revue économique*, May 1953, Paris.

NOTE. — Data refer to the last available post-war year.

^a It has not always been possible to find figures for agglomerations and in these cases, therefore, the data apply to administrative localities.

countries, to determine the optimum size of towns according to a large number of different criteria varying from industrial needs, *per capita* cost of municipal administration, and time wasted on daily transport, to fertility, mortality, cultural needs and access to the open country.² These studies are far from giving any precise answer even for individual criteria, but they seem to agree in finding no significant advantages on any grounds and many very important disadvantages of towns above the size of some 300,000 inhabitants. Even without putting the maximum quite as low as that³ it could be concluded that

² Robert M. Lillibridge ("Urban Size: An Assessment", *Land Economics*, November 1952, page 341) reviews a number of such studies.

³ However, the Dutch Government has decided on an optimum size of 100,000 inhabitants, except where particular circumstances (for instance, the existence of very large industrial plants) require a somewhat higher number.

it would be desirable to stop the further growth of a very large number of European cities, and some European countries actually do try, by various means, which will be discussed in following sections, to prevent one or more big cities or congested areas from growing further. The aspect of the question which is most relevant for the present discussion relates to the occupational distribution of the population in those cities and agglomerations.

It is well known that growth in *per capita* national income is accompanied by a much more than proportionate growth in the demand for services and that demand for certain services such as local transport increases more than proportionately with the growth of population when the size of a town exceeds a certain limit. In large cities, or in regions which have become so industrialized that the share of population in agriculture is insignificant, the increasing demand for services arising from growth in *per capita* income can only be met either by transfer of people hitherto employed in industry or by population increase through immigration.¹ Immigration, however, increases the demand for services still more and the process goes on cumulatively, unless measures are taken to bring about an absolute reduction in industrial employment.² In the richest countries of Europe, it seems that not only the biggest towns but also other highly industrialized regions have arrived at the point where the share of population in industry is declining, because the share in services increases more than the already very low share in agriculture decreases. That this is the case in Sweden can be seen from the figures below, showing the number of workers in industry proper (excluding handicrafts) per 1,000 inhabitants:

	1930	1945	1951
Average for regions including 3 largest towns	91	102	96
Average for 5 highly industrialized regions	50	133	132
Average for 12 less industrialized regions	65	88	91
Average for 4 non-industrialized regions	34	40	43

Sources: Figures for 1930 and 1945 from S.O.U., 1951: 6, *Näringslivets Lokalisering* (Swedish Government Reports), page 22. Figures for 1951 from S.O.U., 1951, *Industri*, and *Statistisk Årsbok*, 1953.

If one accepts the assumption made above that in a large number of European congested cities and districts further immigration is contrary to the inter-

¹ The natural increase of population is most often negative in big cities.

² There may, of course, be cases where industry is so badly in need of rationalization or certain services so overcrowded that the demand caused by raising *per capita* income could, for a time, be met by rationalization alone.

ests of the people already living there, it follows that it is also in the interest of the local population to avoid the introduction of new industries of the type which can be expected to expand rapidly in the coming decades, because the growth of these industries would inevitably attract new immigrants and increase the congestion. It would therefore be in the interest of the congested districts if new industries, like nylon, plastics, television, electronics, etc., could be induced to install themselves in the less developed regions.

Table 73 gives an impression of the dominant position of engineering industries in such towns as London and Paris, where this single branch of industry occupies approximately 33 per cent of the active population in industry. The particularly fast expansion of this branch of industry in recent decades has been one of the main reasons for the rapid growth of these cities. The case would therefore seem very strong for trying to get this expanding as well as labour-intensive industry to settle in the regions where expansion of industrial employment is desirable and not in those where it should, if possible, be avoided. And this holds true not only for the most highly industrialized countries, but also for those where most of the growth of engineering is still to come.

Difficulties of Long-term Balance in the Poor Regions

The desirability of introducing the most modern and expansive industries in the poor regions is due not only to the need to avoid them in the congested districts, but also to long-term considerations for the poor regions themselves. In order to make this clear, it is necessary to discuss in further detail the process by which poor regions develop or fall behind in development in relation to more prosperous areas of the country.

First, it should be noted that it is easier to provide activity and higher incomes for a short period than in the longer run. The poor regions are virtually all in dire need of basic improvements in transport systems, public utilities and dwellings and, especially in the backward regions in southern Europe, there are immense possibilities for land improvement. Hence, there is no dearth of investment opportunities. As regards supply, there is in most cases an abundance of unemployed or under-employed labour and since the basic investments—notably road-building, power, irrigation and afforestation—are highly labour-intensive, the problem is not one of availability of physical factors directly needed for the investments but of financing them.

Even if finance is provided for these basic investments through public grants and credits, or through inducements to private capital, there remains the problem of securing long-term balance for the region after these investments in social capital and in the improvement of natural resources are completed. As long as these investments go on, further activity will of course be generated in local services, handicrafts and small-scale industry, and if the region is among the promising ones where the exploration of considerable unutilized natural resources has only been kept back for lack of the social capital now invested, the stimulus given by the investments and the resulting increase in local incomes may be sufficient to start a genuine productive development of the region. But in regions which are poor not only in social capital but also in unutilized natural resources, activity and income may, once the investments are completed, fall back to a level not very much higher than the original one. The population would live more comfortably, but employment and current incomes may not have improved much. In such a case some of the local industries and services which had been set up in the days of greater activity may even have to close down. The importance of this problem has been recognized by the Italian Government, which—as will be shown later—has tried to overcome it by taking more positive measures for the establishment of industries in southern Italy than had been contemplated in the original development plan.

If, however, no recession in activity takes place, but the workers released from employment in the original investments are transferred to local industries which have expanded partly because of the increase in income and partly by replacement of imports from other regions,¹ the balance may then be preserved also after the completion of the investments. But difficulties may nevertheless be expected to arise at a later stage. The reason is that the region in question will not be the only one in the country that develops and, simultaneously with the development process in the poor region, technical progress takes place in the

richer regions. However, technical progress in one region tends to disturb the balance in others, because part of the consumption in the technically lagging regions will shift from home-produced to “imported” goods. If the persons who previously produced the local goods remain in the region as under-employed or unemployed, and if the increased demand in the other region where the technical progress takes place does not direct itself towards export products of the poor region, the position of the latter will have deteriorated permanently.

It is this mechanism which makes it vital to spread the most dynamic industries² over the country, and in particular to make sure that some of them are located in under-developed areas. If the most modern—and especially the most dynamic—industries are not established in the poor regions they will be set up in other parts of the country and the competition from their output will directly, or via their increasing share in total consumers’ expenditure, make inroads into the markets for the products produced in the poor regions. Since the poor regions will be mainly exporters of food and producers of manufactures for local consumption, it is highly improbable that they will be able to compensate for the loss of internal markets by increased exports to the expanding regions. The most rapidly expanding element in the consumption of rich regions is services, which are produced primarily within these regions. It is therefore necessary, in order to preserve inter-regional balance, to give the poor regions more than their proportionate share of the most dynamic industries.

In other words, industries which produce mainly for the local market in a backward region cater only for limited needs and can be expected to advance only so fast as the region as a whole. “New” industries, on the other hand, are designed to meet needs which arise primarily in the more developed parts of the country, and in this manner the development of the poor region becomes geared to the development in more fortunate regions. An equally important result is the introduction through these industries of standards of technology far in advance of those prevailing in the region, thereby giving it a chance to take the lead in technical development if only in a limited field. Some leadership in technology is needed if a new gap in development is not to appear at a later stage.

Given that the value of the “new” industries would lie in their exceptional possibilities for further expansion, it is obvious that little importance attaches to

¹ The relative size of payments for these imports will vary from region to region and country to country according to the degree of development and of adjustment in consumption standards. Estimates made by *Svimez* (the Association for the Development of Industry in Southern Italy) of the repercussions of a two-year programme of basic works for southern Italy show that for every unit of employment in this project in the south, only 0.3 unit can be taken to be employed subsequently in the south itself for the provision of the additional goods and services which the initial expansion will require, the remaining extra consumption provided by the expansion in employment serving to increase employment in northern Italy and abroad. (See *Economic Effects of an Investment Programme in Southern Italy*, published by *Svimez*, Rome 1951, Tables 27 and 28, pages 50 and 52.)

² These dynamic industries being, of course, not the same, for example, in Turkey and in the United Kingdom.

the amount of employment they provide per unit of capital invested, particularly since it is the same capital market which will have to supply the capital wherever the industries are placed. Here again, the analogy with under-developed countries does not hold. From considerations of this nature it appears to have been a wise policy on the part of the Dutch Government to set up their continuous-strip mills in one of their development areas and to induce the company producing nylon to establish itself in another. Similarly, the Italian plans to make Naples, the depressed "capital" of southern Italy, a centre of the electronic industry would seem well motivated.¹

Limits to Decentralization

The discussion has so far been concerned with the desirability of shifting the pattern of industry so that the poor regions receive a larger share and the congested districts a smaller. The problem to be dealt with briefly here is that of the location of industry inside the poor regions—namely, the problem of how far decentralization ought to go.

Some of the enthusiasts for industrial decentralization—mainly those who have closer ties with agriculture than with industry—argue in favour of bringing manufacturing industry into the villages. The object of this would be to prevent the spread of rural depopulation which is already resulting from the rapid mechanization and rationalization of agriculture.

Though there may be exceptional cases where industrial plants could without great disadvantage be situated in not too isolated villages, the general rule is that the disadvantages of industrial decentralization grow considerably when industry moves from middle-sized towns down to the village level. While the studies concerning optimum size of towns mentioned above seem to agree still less on the desirable minimum than on the desirable maximum, it is quite clear that below a certain level economic disadvantages tend to grow and non-economic advantages to diminish or become clearly negative.

The argument in favour of industrial decentralization and against gradual depopulation of whole regions is not directed against the concentration of population *inside* each region. On the contrary, concentration of settlement within a region is precisely the method by which the two objectives of securing economic progress and of avoiding gradual depopulation of the region can be reconciled. Rural romanticism and petty local interests often combine in the

claim, vociferated through political channels, that both the population and the means of subsistence should be preserved, even at very high cost,² in small isolated islands, secondary valleys and remote mountain villages. Often such places had better be evacuated entirely, although sometimes there may be an escape in turning old farmhouses and fishermen's cottages into summer habitations for town dwellers. This has happened for instance in some poor agricultural districts in Sweden and, in America, in the New England states.

Even where agricultural land is too valuable to be taken out of cultivation, the justified desire that agriculture should not be left as the only activity in a depopulated district without access to services or cultural life would be satisfied if the effect of industrial decentralization were to strengthen economic activity and thereby commercial and cultural life in middle-sized towns. With the development of modern means of transport and especially of the motor scooter, these towns are now within much easier reach of the rural population. Experience has shown that it is no easy task to halt the growth of industry in the heavily industrialized areas and to stop the flow of migrants towards them. This goal may, perhaps, become attainable if industry can be attracted to, and the flow of migrants from agriculture halted in, a large number of expanding middle-sized towns which revive economic activity and cultural life in their regions. Attempts to go still further and spread individual plants over the countryside would run grave risks of failure, partly because of the higher costs and partly because workers may be inclined to use such rural industries as only a temporary halt on their way to town.³ While it would be desirable from the point of view of agriculture if such rural industries were set up in districts where agriculture is overcrowded with manpower, it would be much less satisfactory for the industries themselves, which would be faced by a very fluctuating labour force and may run into difficulties of recruitment once the agricultural surplus had been eliminated.

This whole problem is, of course, of much more urgency in countries with scattered populations like

² For instance, to keep schools, postal services and communication lines may become very expensive in isolated villages. See examples given in *Dépeuplement rural et Peuplement rationnel*, Cahier No. 8 de Travaux et Documents (INED), Paris, 1949.

³ A Swedish study of population movements in a forest district in central Sweden, which had as its purpose to find out how the exodus of workers from the forest could be halted, warned against all plans of setting up more local industries in the villages because it was found that the existing ones attracted the forest workers, who once they were accustomed to industrial work moved further away to other regions or to towns. (See Jan Wallander: *Flykten från Skogsbygden*, Stockholm, 1948.)

¹ Naples, although a town of one million inhabitants, has only 18 per cent employed in industry proper against 27 per cent in Milan.

Sweden, Norway or France than in the densely populated countries. In Sweden, a Parliamentary Committee dealing with industrial localization¹ has

¹ S.O.U., 1951: 6, *Näringslivets Lokalisering* (Swedish Government Reports), pages 78-81.

suggested that, parallel with industrial decentralization, there should be developed relatively small service towns in the countryside. The function of these towns would be to serve as commercial and cultural centres for the agricultural population.

4. THE METHODS APPLIED IN REGIONAL POLICY IN WESTERN AND SOUTHERN EUROPEAN COUNTRIES

Both the scope of regional policy and the methods applied vary considerably from one European country to another. Some have extensive regional development plans covering large parts of their territory, others devote only very limited means to strictly localized purposes. In general, regional policy plays a larger role in rich countries like the United Kingdom, the Netherlands and the Scandinavian countries than in the Mediterranean countries, except for Italy and Yugoslavia in recent years. Yet the regional differences are larger in the latter countries than in the former. The extent of Government activity clearly depends not only on the degree of poverty and the numbers affected, but also on the means available to overcome the difficulties. The differences in methods applied in various countries are very wide: some are of an indirect nature, attempting to influence the location of private enterprises by increasing the supplies of goods and services normally made available or controlled by public or semi-public bodies, such as roads, sanitary installations, railway transport, technical schools, etc. Other methods involve more direct interference in the geographical distribution of private economic activity, by means of advice, credits and subsidies to private employers, or by direct control of industrial location or State participation in economic activities which are usually the province of private capital.

In spite of the wide variations in regional policies, it is nevertheless possible to classify them into two broad types. One is mainly concerned with influencing the localization of manufacturing industry, while the other aims at co-ordinated development of social capital and extractive industries, in some cases combined with measures to promote the processing of local raw materials. The British post-war policy of regional planning is the prototype for most regional policies of the first type, while the plan for the development of southern Italy is the most far-reaching example of the second type. A brief description of the methods applied in these two countries may therefore be a useful introduction to a discussion of European regional policies. But first the basis for the choice of development regions must be dealt with.

The Choice of Development Regions

It is clear that the choice of development areas will hardly ever be made on economic grounds alone; considerations of strategy, the interests of national groups and many other non-economic factors enter into the picture. Even in the absence of non-economic considerations, purely economic criteria for a regional development policy cannot be established with any degree of precision, since the social cost of investment for development has to be weighed against the long-term benefits derived from it and so far no method has been devised to measure the dynamic evolution of either costs or benefits. The official criteria adopted by the Netherlands in the selection of regions for development show how relatively vague and imponderable are the factors which have been taken into consideration. Thus, for a region to be included in the Dutch development programme: (1) the problem of structural unemployment must be considered acute; (2) a reasonable solution by means of migration must be impossible; (3) a solution through industrialization by improving certain location factors must be reasonably assured of success; (4) financial sacrifices required for the execution of development plans must remain within acceptable limits. On the basis of these criteria nine regions have been selected for development.

However, the choice of development regions in the Netherlands would seem much less important than in countries with larger distances, greater geographical disadvantages in certain regions and smaller means at their disposal. Norway and Sweden have both decided that even their very remote and climatically handicapped northern regions should be developed.² The position is less clear with regard to the Scottish Highlands, rural Wales and Corsica since the proposed measures appear to be merely palliatives and are not directed towards serious development. In the United Kingdom, regional policy is concentrated on the industrially depressed areas, while France does not

² Many non-economic factors have, of course, been taken into account, one of them being that the experience of the last war showed that a certain degree of development is of importance for the strategic possibilities of defending a region.

seem as yet to have taken any decision as to which regions should be given priority.¹ In a number of other countries, decisions are still pending: the proposals made for the development of northern Finland² have not yet reached the stage of approval, proposals to develop the depressed western Flemish regions in Belgium have recently been formulated in a study³ on which no action has so far been taken, and in Denmark the concern about the relatively high structural unemployment in parts of north-western Jutland has induced the Government to request a report.⁴

In Italy, where the regions selected for development include nearly the whole of the peninsula south of Rome, as well as Sicily, Sardinia and some smaller districts in the north of the country, there has been some discussion about the advisability of trying to develop simultaneously all parts of this huge region. There seems, however, to be general agreement that none of the historically and administratively important units should be by-passed in the distribution of investments. On the contrary, it has been proposed⁵ that the poorest ones ought to get a share of funds more than proportionate to their share of the population, for instance according to an index which would include not only the level of *per capita* income but also the level of social capital (measured by kilometres of the railway network and roads and by the number of telephones and hospital beds) and of cultural standards (measured by the degree of literacy). Inside each region, on the other hand, account is being taken of the opportunities for economic development offered by various districts. Industrialization is to centre around already existing industrial nuclei and, in areas with a general lack of natural resources and facilities for industry, action will be undertaken to promote emigration and there will be some investments in social capital.

¹ Apart from the scheme for the valley of the Durance, mentioned on page 164.

² *Lapin läänin tulevaisuuden tavoitteita* ("Future Targets of the Lapland Province"), Lapland Provincial Association, Rovaniemi, 1954.

³ Guido Declercq and Olivier Vanneste: *Structurele Werkloosheid in West-Vlaanderen*, Roeselare, 1954.

⁴ In western Germany, the Institut für Raumforschung, a semi-official research institute, is the major exponent of a co-ordinated regional policy. Detailed regional surveys which are to serve as a basis for the adoption of policy measures are under preparation. It would, however, appear that the views expressed by this body are not necessarily representative of official opinion or action.

⁵ See the report *La Regione come Punto di Riferimento di un Programma di Sviluppo Economico del Mezzogiorno* presented by the Association for the Development of Industry in Southern Italy (*Svimez*) at the Fourth National Congress of Urbanism held in Venice in October 1952.

In countries that are even poorer than Italy, it could well be argued that the spreading of a thin layer of investment over all the under-developed regions would produce such insignificant results that it would be preferable, in the interests of the development of the country as a whole, to concentrate investment in some of the more promising regions. In the case of Greece, for instance, the urgent need to reduce Athens' predominance as the only industrial centre of the country may well be met much more effectively and accomplished with less cost to the Greek economy if the whole effort to improve external economies and to produce an acceptable climate for industry in the provinces were to be concentrated in one or two places such as Thessalonica or Patras, where the pre-conditions for such development already exist. In the other poor regions of the country certain investments in agriculture and the organization of community development schemes could meanwhile bring some improvement.⁶ In Yugoslavia there has been some discussion on how far the Federal Government should go in supporting the development in Montenegro, where natural conditions for development are poor, but it has been agreed that some development should be fostered even there. The main effort is now concentrated on Macedonia, while the development of Bosnia has already proceeded so far that this area is no longer considered under-developed in relation to the rest of the country.⁷

Regional Policy in the United Kingdom

British regional policy has the double purpose of reducing the population pressure in congested areas and reviving economic activity in a number of Development Areas, which have been chosen among those which had suffered most from the dependence on a few industries in structural decline. In the 'thirties, support was given to emigration from the depressed areas to other parts of the country, but in the post-war period emphasis has been laid instead on efforts to bring industries to labour, rather than moving labour to the industries. In 1945 the Board of Trade was charged with securing a balanced distribution of industry over the whole country. All industrial

⁶ Similar problems relating to India are discussed in a paper by Professor B. V. Krishnamurti, "Planning of Investments in Under-developed Countries", read at the International Congress on the Problem of Under-developed Areas held in Milan in October 1954.

⁷ However, the increase in the annual rate of net investment *per capita* between 1947-52 and 1953—and the absolute figure for 1953—is highest in Montenegro. The increase of investment per head in the same period has also been considerable for Macedonia but much smaller for Bosnia and there has been no change or even some decline in the rich regions (see Table 70).

buildings above a certain size, whether new buildings or extensions to existing ones, required a certificate from the Board of Trade that the place of location is "consistent with the proper distribution of industry". The refusal of a licence elsewhere thus forced businessmen to look for alternative locations in one of the Development Areas.

These negative measures were supplemented by positive incentives attempting to make areas other than the congested ones more attractive to industry. A number of new towns were built with the aid of Government-appointed development corporations.¹ The Board of Trade was empowered to buy land in the Development Areas, to undertake the advance construction of factories² and to let them on relatively favourable terms—for an initial period—to private firms. Industrial Estate Companies in each area acted as the principal instruments for carrying out these tasks. They were controlled by the Board of Trade and assisted by finance from the Treasury. The Board of Trade also made grants or loans for the extension or improvement of public services in the Development Areas,³ and it gave financial assistance to industrial firms desiring to set up in the Areas if they were considered worthy of support and could not obtain funds elsewhere.

From 1945 to 1954 building of factories in the Development Areas accounted for about one-third of total factory building in Great Britain while less than 20 per cent of the population lives in the Development Areas. The average level of unemployment has fallen sharply since before the war but remains higher than elsewhere in the country. In September 1954 it was 2.7 per cent in the Development Areas as against 0.8 per cent for the rest of the United Kingdom. With the improvement in general economic conditions in the Development Areas, the negative control was relaxed and greater reliance is now placed on persuasion rather than on an outright refusal of a licence. The Board of Trade has become much less severe in refusing licences to firms which already have roots in a concentration region and wish to expand.

The assistance given to Northern Ireland exceeds in variety and intensity the facilities granted to other Development Areas; rates of subsidies for house building are higher than in England and a general

subsidy on industrial coal and another to offset transport costs on agricultural produce is being granted. In spite of all these measures, 6 per cent of the industrial population of Northern Ireland remains unemployed.

*Regional Policy in Italy*⁴

The main instruments for carrying out regional policy in Italy are the land reform agencies and the Cassa per il Mezzogiorno. The land reform agencies were set up in the years 1949-1951 to undertake the expropriation of land and compensation of land owners in the latifundia districts. The Cassa is a special authority created in 1950 to finance and execute extraordinary public works for the development of southern Italy. A Minister was appointed president and is responsible to Parliament, but the degree of autonomy of the Cassa is considerable and its activities are not subject to the customary bureaucratic controls. The president is assisted by a Committee of Ministers which formulates the general plan, and local organizations co-operate in carrying out the programme. A programme for 12 years was elaborated with priority for two major objectives: the development of agriculture and the improvement of social capital.⁵ The agricultural programme is carried out by the land reform agencies and the Cassa in co-operation. The expropriated plots are improved and equipped, co-operatives for the processing and distribution of farm produce are established and membership in these is compulsory for the new farmers. To assist in the modernization of agricultural methods, vocational training centres have been created.

The promotion of industry was, until recently, limited to measures adopted in 1947 before the creation of the Cassa—which consisted of fiscal and customs privileges, credit facilities and reductions in freight rates. Since existing measures had produced only very moderate results action has been intensified, mainly through the creation of three financial institutions for southern continental Italy, Sicily and Sardinia which are to supply medium-term financing to private enterprise where funds from the usual sources are not available in sufficient amounts. The Government does, however, also participate directly in industry through IRI (a State holding company). To overcome one of the difficulties in the way of industrial development—the shortage of skilled workers—technical

¹ Of the fourteen new towns which have been designated to relieve industrial congestion, and which are to grow to a size ranging from about 10,000 to 80,000 inhabitants, eight are, however, situated in the London region.

² The advance construction was, however, stopped in 1950.

³ For the past three years or so, the financial position of local governments has become sufficiently strong to dispense with central government assistance for this purpose.

⁴ See *Economic Survey of Europe in 1953*, pages 123-140.

⁵ Irrigation, other land reclamation and reforestation represent the core of the programme. Out of the total fund equivalent to \$2,048 million, \$1,456 million are to be devoted to agricultural development. The remainder is allocated in the following way: aqueducts and drains \$240 million, roads \$184 million, railroads \$120 million and tourism \$48 million.

schools are to be established in 20 towns or industrial centres and provision has also been made for the training of the additional teachers required.

Regional Policy in Other Countries

A number of industrialized countries apply a regional policy of the British type ; thus, both in the Netherlands and in Norway, a licensing system is used to influence the location of new industries. Moreover, the nine development areas in the Netherlands are made attractive to private industry by methods resembling those used in the United Kingdom at the same time as help is given to emigration from these districts. A special feature is the payment in the development areas of a once-for-all bounty of 25 per cent of the building cost of a new industrial plant on condition that jobs are created for a fixed minimum of unemployed ; another, mentioned in a previous section, is the utilization of certain very large-scale industries as nuclei for the development in the poor areas.

In France, legislation has recently been introduced whereby a licence is required for the construction of factories above a certain size within a radius of 60-80 km. of Paris. Moreover, there is an advisory service to industrialists who want to set up in the provinces ; and fiscal exemptions are granted for the purchase of land and loans for equipment. But the funds allocated for these purposes amount to only \$14 million for four years.

Sweden and Switzerland do not apply a negative, or licensing control over industrial location, but both provide a service of voluntary advice to industrialists, combined with improvements of social capital. Certain other facilities to industry are, in most cases, granted by the local authorities and not by the Government. In Sweden a Production Council set up by Swedish industry—in co-operation with the Social Planning Office in the Labour Market Board—undertakes investigations on request and suggests suitable locations in non-central regions from which the applying firm can choose. A Swiss scheme—introduced recently—which operates on similar lines, assists only industrialists who want to establish enterprises in a number of mountain regions in certain cantons adhering to the scheme. A central office disseminates information on facilities granted by cantons and communes.

The lavish use of subsidies to strategically important decentralized industries in Germany in the inter-war and war period ¹ has produced a reaction, and post-

¹ For instance, freight rates for ores from Salzgitter were reduced by 80 per cent compared with the usual rates.

war regional policies of the Federal Government have been limited to the granting of credits and loans of \$12 million yearly to create employment for refugees in the problem regions. Moreover, in 1954 central government funds to the amount of \$29 million were created for the alleviation of economic distress in the zonal frontier regions which suffer from the separation from their former sources of raw materials and markets.

The policy measures described so far can be classified as of the British type. Some of the countries already mentioned do, however, also apply measures of the other type, resembling the development policy in southern Italy, although the Italian plan has not served as a model for them. This is, for instance, the case with the development plans for northern Norway, northern Sweden and Macedonia, all of which lay greater stress on industrialization than do the Italian plans. But the regions which they attempt to develop are richer in minerals than southern Italy. Establishment of steel industries processing local ore is a central feature in all of the cases. The establishment of a steel mill and a big irrigation works, both financed by the Federal Government, are key elements in the Yugoslav plan for development of Macedonia. The steel mill in Luleå in northern Sweden was set up by the Government as a means of promoting industrial development in a region which is now too dependent on exports of ore and timber to foreign markets. The advantages of the scheme are that use can be made of local ore and hydro power, while coal can be imported in vessels returning from the shipment of ore.

The plan for northern Norway provides for improvements of power and social capital as well as fiscal alleviations to attract private industry and shipping. It also establishes a separate development fund of \$32 million, from which loans and guarantees for loans can be granted for the modernization and expansion of private activity, especially industry and fishing (the latter occupies 20 per cent of the population). Loans from the development fund amount to a very high share of the total capital invested in the private industries which have been supported by the fund. Interest and repayment of the loans can be postponed for an indefinite period if necessary, but the capital can never be written off because it is held that the borrower should pay back if, at a later date, the industry makes profits. The steel mill is wholly Government-financed and the Government also organizes prospecting for ores and other mineral resources.

Of the six main regional projects listed by the French Commissariat du Plan for detailed study, only

the project for the development of the valley of the Durance has been approved for action so far. The scheme for the Durance is not an overall development plan like the Scandinavian or Italian ones, but resembles more the combined hydro-power and land improvement schemes carried out in some southern European countries. \$429 million or 77 per cent of the estimated cost of the whole plan is accounted for by a big hydro-electric and water control scheme which will permit irrigation of 35,000 hectares. The agricultural development planned is thus a by-product of the electricity scheme and the plan does not contemplate industrialization of the region. On the whole, the measures which have hitherto been taken both to bring about decentralization of industry in general and to develop specific poor regions have been extremely modest, considering the seriousness of France's regional problems and the country's material possibilities of remedying them.

In Greece and Turkey, as well as in the Iberian countries, the instruments for development in existence are mainly devised to raise productivity and standards of living *in general* and they affect the particularly poor regions only incidentally.¹ However, in Turkey, the location of State-owned or State-encouraged enterprises—usually outside Istanbul—has been a favourable factor in dispersing industry, even though the poorest regions have hardly benefited from it. The poor Turkish regions have, however, profited from the nine-year road-building programme which was started in 1948 with financial and technical assistance from the United States Government, and which is helping in the opening up of regions which hitherto depended exclusively on subsistence agriculture.

The Need for Co-ordinated Policy

It is too early to judge the results of the post-war regional policies applied in European countries ; the various plans and measures have nearly all been in force for only a relatively short period and many are in the process of being improved and reinforced. Moreover, it is difficult to isolate the effect of deliberate policy measures from other factors which may have influenced regional disparities and the location of industry. Thus, in a number of countries, the generally favourable economic climate in the post-war period has rendered the depressed or under-developed areas more attractive because of the manpower reserves available in those regions, whereas in the highly

industrialized areas shortages of labour often limited possibilities of further expansion. There is, however, one conclusion which can safely be drawn from the experiences already gained in European countries : simultaneous application of a number of measures, which are co-ordinated in such a way that they reinforce one another, has proved to be much more efficient in inducing the desired geographical shift of activity than isolated measures. It is therefore regrettable that there is so little co-ordination between the regional policy measures of the "British type" and those of the "Italian type", even in some of the countries which apply both types of regional policy. Far from being alternatives, the two broad types of intervention—the provision of basic investments and the implantation of industries—are complementary, and one of the main problems of regional policy is to arrange the timing of the two in such a way that employment opportunities and regional balance are secured both in the short and in the long run.

The need for better co-ordination can be illustrated in many ways : it is, for instance, a general experience that refusal of licences for the establishment of new industries is a rather ineffective method of stopping big towns from growing unless measures are simultaneously taken to make other locations more attractive to industry as well as to labour. Similarly, even such rigorous measures as a general control over investments throughout the country is not an effective means of decentralizing industry if simultaneous measures are not taken to equalize conditions and costs for industry in the different regions. Unless this is done, at least some of the industries which were directed to be set up in the less favoured regions will either refuse to invest at all or will subsequently succumb to competition from more favourably located enterprises.

It is, however, not only the negative measures and controls that are relatively inefficient when applied in isolation. As has been mentioned in the preceding section, the improvement of external economies, while very effective in some cases, may fail to produce more than a temporary burst of activity in other more stubborn cases of under-development. Conversely, the improvement of external economies is a necessary supplement to other means. In areas where backwardness in agricultural methods and under-equipment of social overhead capital have perpetuated poverty, intense public effort is required to supply basic public utilities and to modernize and equip agriculture, so as to raise the purchasing power of the local population before private industry can be attracted by the provision of fiscal incentives or other similar subsidies.

¹ The Portuguese six-year plan does, however, make special provision for colonization of the south, but the total funds devoted to it amount to only \$13 million.

Fiscal stimuli have been used in southern European countries, particularly in Greece and Italy, but have proved relatively inefficient as isolated measures, because regional discrepancies in these countries are so wide as to make the attraction of the traditional industrial centres even greater than in more developed countries. A certain amount of decentralization might, on the other hand, be obtained in Greece if the existing fiscal advantages and subsidies given to decentralized industry were supported by establishing a few new industrial centres. This might be achieved by the improvement of the transport, communications and sanitary conditions of some middle-sized towns on the new north-south electricity grid as well as by the establishment of technical schools and the provision of building ground and factories to let on easy terms, as in the United Kingdom.

While it is necessary in the poorest countries to select a limited number of relatively favourable localities for industrial development, the main problem in industrialized countries is to attract industries to the most under-developed regions. Industries which are simply expelled from the congested districts tend to remain in the same neighbourhood. This is the case in France, for instance, where industries which have moved out of the Paris region in recent years established themselves in its proximity or in other prosperous industrial centres, whereas very few have moved to the south-west or to the Massif Central. In order that industrial decentralization should benefit the poor regions, the plans for improvement of external economies in these regions need to be closely co-ordinated not only on the political but also on the administrative level, with both the plans for industrial decentralization and the regulation of the labour market.¹ In a previous section it was argued that the most important attraction provided by congested areas to manufacturing industry is probably the large supply of skilled labour and the better training facilities. A number of countries have established technical schools in towns in the under-developed regions which seem most likely to become the industrial centres of the region. An additional way of making the local labour market more attractive to industry in general is the implantation in the region

of one or more industrial plants of the very modern and large-scale type, a measure which was shown in the preceding section to be highly advantageous for other reasons. Large-scale industries of this type normally undertake the training of their own workers and are therefore less dependent on the skills available in the local labour market than smaller industries. The establishment of one or more such large-scale plants in a region tends to change the character of the whole labour market. It arouses technical interest in the young and attaches to the region some of the more enterprising elements who would otherwise have emigrated. It broadens the labour market and constitutes a point of attraction to other industries, even in the psychological sense that the area is no longer felt to be a forlorn place where no self-respecting businessman could reside.

The Need for Flexibility of Methods according to the Size of Industry

It remains to consider by which methods large-scale industries can be brought to establish either their main plants or certain branches of their production in under-developed areas. This is probably a field where application of investment controls is of doubtful use; it is the general experience that, while such controls may be fairly effective in cases of smaller or middle-sized firms, large-scale companies very often obtain permission to establish themselves where they choose on grounds of "exceptional circumstances". One possibility is, of course, that the Government itself should set up such large-scale plants in under-developed regions, as has been done in the case of steel plants in Norway, Sweden and the Netherlands.² In some instances it has, however, proved fairly easy to persuade private large-scale industry to set up their plants in under-developed regions. In the case of the Dutch nylon plant mentioned above, the Government gave assistance by undertaking to improve the service on the local railway line; and in Italy large-scale plants in the engineering, chemical and cement industries have responded to appeals from the Government to set up branch factories in the South.

Thus, paradoxical as it may seem at first sight, the weapon of advice and persuasion, though often rather inefficient when applied to smaller plants, is not only simpler but also more efficient in the case of large-scale industry. There are several reasons why big undertakings, notwithstanding their susceptibilities regarding direct control over industrial location, are

¹ In Norway, the authorities responsible for the organization of the labour market in general are also in charge of regional planning, but a special body has been established for the particular development plans for northern Norway which works in close co-operation with the labour authorities. In Sweden the advisory services for industrialists who want to move to decentralized regions are, as previously mentioned, rendered jointly by the Federation of Swedish Industries and the Labour Market Board. In France, measures to decentralize industry, preparation of development plans, and labour market organization are the responsibility of different authorities.

² In the last case, however, it was not concern for localization that decided the Government to set up the plant itself.

likely to be more receptive to the method of persuasion. For instance, it is often easier for managers of very large-scale industries than for those of smaller ones to appreciate both the importance to the country of their plant location policy and the ultimate benefits to their own plants of industrial decentralization and development of poor regions. Moreover, these industries have gone beyond the stage where personal preferences of directors and technicians for one place or another exert any decisive influence on the choice of location, because these factors enter into the calculations only as the cost of paying slightly higher salaries for technical and administrative staff of equal quality.

It would therefore seem rational to apply rather different methods to influence the location of large-scale and middle- or small-scale industry respectively: in the case of large-scale industry, an individual approach for each major investment project with persuasion, granting of facilities¹ and—if necessary—subsidies as the main methods to obtain the desirable location; in the case of middle-sized and small-scale industries, facilities, subsidies and controls of an overall character laid down by law. The avoidance of an individual approach in the case of middle-sized and small-scale industry not only reduces the necessary administrative apparatus, but also lessens the danger that local pressure groups gain undue influence. This danger is less acute in the case of large-scale industry where facilities would be granted on the basis of political decisions taken at Government level and subject to control by public debate in Parliament or in the Press. The granting of subsidies and facilities to smaller industries on the basis of general criteria has the further advantage that it automatically attracts those industries for which the localization drawbacks in the particular region are smallest.

In devising a co-ordinated and flexible regional policy with a judicious combination of measures adapted to the particular problems of each region, there may be a danger of overlooking some of the existing obstacles to development which are a by-product of policies generally unrelated to regional problems. Earlier in this chapter² a number of examples were given of policies which, although motivated by other than regional considerations, counteracted in their incidental effects what was desirable from a regional point of view. The examples given

belonged to various fields of economic policy such as interference with differential wage levels, tariff rates, commodity pricing, power rates and tax and credit policy.

In all cases where actual practices or policies in those fields discriminate against the poor regions it is a necessary condition of a co-ordinated regional policy to undertake a systematic revision of these practices and policies. If that is deemed undesirable for reasons that lie outside the field of regional policy, their unfavourable regional effects can be counteracted in other ways; for instance by open subsidies which eliminate the hidden subsidization of the highly industrialized regions involved in the present distribution of social capital and the existing institutional framework.

Centralized and Decentralized Policy Determination

The conclusion that there is need for closer co-ordination of regional policies should not be interpreted as implying that a centralistic approach to regional problems is desirable. Undoubtedly, the absence of central Government interference in regional policy may produce very undesirable results, especially if local authorities are free to compete with one another in offering subsidies and facilities to industry. But it is no less certain that the worst cases of neglect of backward regions are found in highly centralized States, where only consultative or minor administrative functions are left to local authorities. Federal States and countries where local authorities have a wide field of initiative generally devote more attention to their regional problems.³ The widely differing scope of local government in European countries makes it difficult to discuss in general terms the methods that can be used to mobilize local initiative in a regional policy which is not side-tracked by competition between local interest groups.⁴ It may, however, be illustrative to mention the solutions which have been found in two countries of very different economic and political structure—the Federal Republic of Yugoslavia and the Netherlands—in both of which considerable stress is laid on regional policy.

In Yugoslavia, the Federal Government decides on certain concrete development projects which are found to be both in the national interest and crucial

¹ Firms which start production of new commodities often depend on the authorities for certain favours, for instance, concerning the interpretation of technical prescriptions or tariff rates and the opportunity may be used to influence their location.

² See pages 152 to 154.

³ Thus, Sicily has benefited considerably from the recent trend to strengthen regional autonomy in southern Italy although these advantages were limited to fiscal privileges.

⁴ It should be noted, however, that not all local interest groups are in favour of development; for instance, in the case of the plan for a forest railway in Finland, mentioned on page 147, footnote 4, local processing industries are opposing the project because it will raise the price of their raw materials.

to the development of the under-developed republics; these projects are then financed by the Federal Government, but interest on the loans and principal are paid not to the Federal Government but to the individual republics, which are free to use these means in development projects of their own choice. Apart from such concrete projects financed by the Federal Government, each republic is sovereign in its development policy, but also has to finance it out of its own means.

In the Netherlands, regional policies are considerably more centralized. When it was decided that the Government should participate in developing certain

regions, the provincial authorities were asked to submit proposals. These were then tested by the central Government departments concerned and the Government considered whether the general financial and economic situation warranted the realization of the proposed projects. A number of proposals were abandoned and those which were accepted were arranged according to certain priorities. The question of how costs were to be distributed among the provincial authorities and the Government and the drawing up of a time schedule was also settled in close co-operation between local and central authorities.

5. REGIONAL POLICIES IN EASTERN EUROPE

Development Plans and Regional Problems

Much of the discussion in the preceding section, in so far as it revolved round methods of influencing investment decisions, has no application to the countries of eastern Europe. Although in principle there is no reason why some investment decisions in a socialist State should not be taken at the level of the individual enterprise, in fact in eastern Europe, as in the Soviet Union, almost the whole of the monies available for investment are routed through the State budgets or through centrally controlled dispensation funds. The State thus does not need to have recourse, as in private enterprise economies, to any indirect stimuli or deterrents to investment in particular regions.

By virtue of its control of the use of practically all investible funds,¹ the State has it in its power to determine, and inevitably does determine, the relative rates of increase of productive and employing capacity of different regions to a degree of accuracy difficult to attain elsewhere.² Moreover, since directly productive investment and the necessary complementary social investment are both paid for out of the same purse, and subject to scrutiny by the same accountants, the socialist State is probably in a better position than Governments in countries where responsibilities are divided to make reasonably exact comparisons between total costs and expected returns before decisions are taken to commit funds to the development of a particular locality.

The mere fact that a Government, by its investment decisions, is bound to determine the speed of develop-

ment of different regions does not of course imply that it must have a regional policy in the sense that it gives a considerable weight to preserving, or creating, a balance between the rates of growth of different parts of the country.

In practice, however, the development plans formulated in 1948 and 1949, which were almost entirely plans of industrialization, did take account of the regional disparities which had developed in most of the eastern European countries and laid great stress on the need for the poorer regions of each country to develop faster than the rest.³ Thus, the Polish Six-year Plan allocated one-third of the investment funds to be spent in the years 1950 to 1955 to the seven least developed voivodeships. As these regions included nearly 45 per cent of the total population but less than 20 per cent of Poland's industrial workers, this allocation must have implied considerable inter-regional transfers of capital. In the backward regions of the east several new industrial towns were to be built or existing small towns extended. (See Map 3.) The potentially rich agricultural region around Lublin was to be specialized in the food-processing industries; elsewhere new engineering centres were to be created. The only new industrial enterprises to be started on the Silesian coalfield were to be those exploiting mineral resources—mines, coke-ovens and generating stations. The only new investment in the city of Lodz was to be in plants needed to serve the existing textile industry or capable of absorbing male labour already on the spot. Out of 1,300 new investment projects in industry about 1,000 were to be located outside Silesia and the city of Lodz, which together accounted for 55 per cent of total industrial employment in 1949.

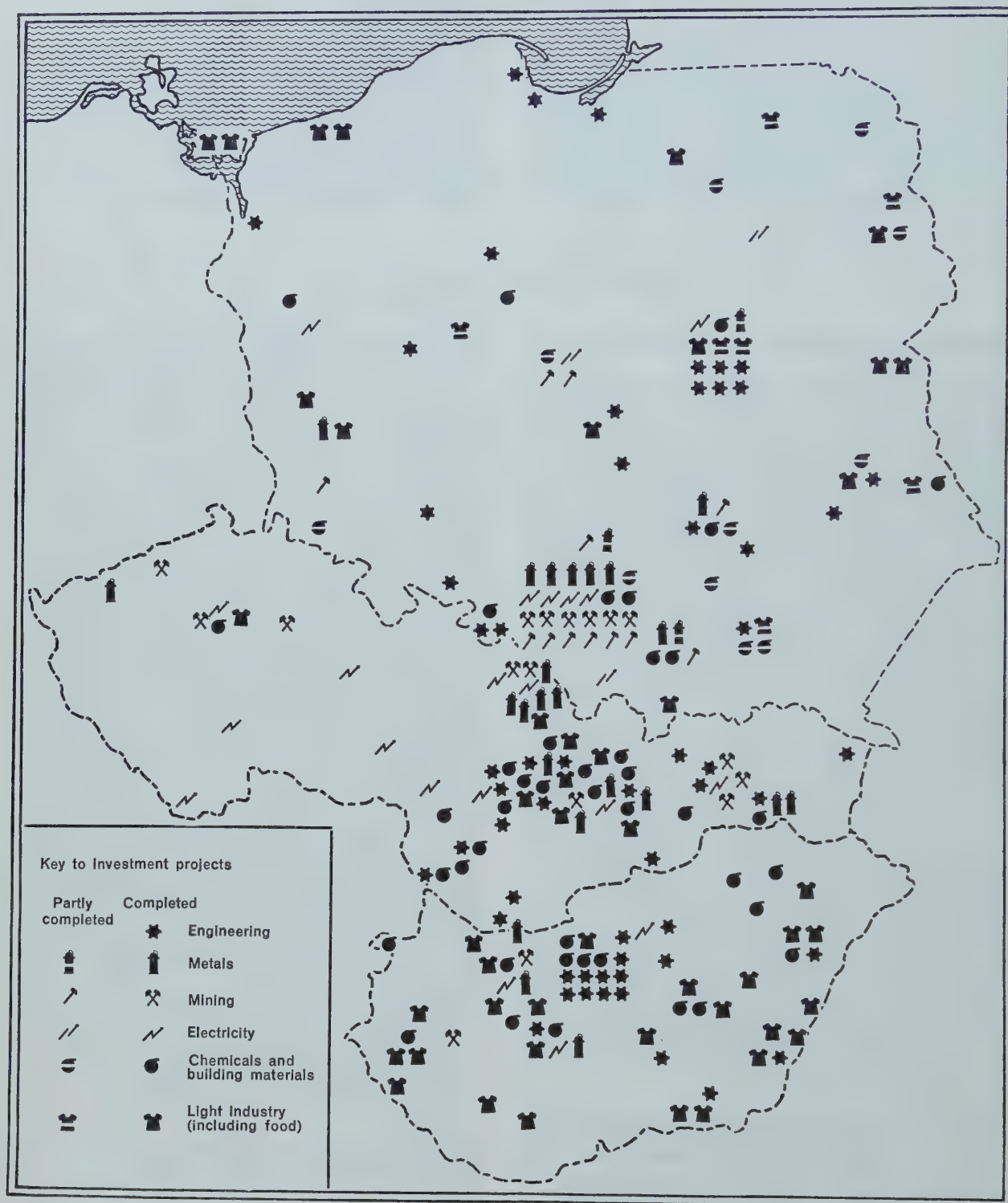
¹ The only important exception to this arises in the case of peasant farming.

² Experience in Poland has shown, however, that it is difficult to impose limits on the rate of growth of a capital city's population even when housing conditions are unattractive.

³ The exception was the Five-year Plan for Bulgaria, which laid down that each of the seven regions into which the country was divided should be developed at the same rate.

Map 3

NEW INDUSTRIAL INVESTMENT PROJECTS OF THE LONG-TERM PLANS OF POLAND,
CZECHOSLOVAKIA AND HUNGARY



Sources : See Appendix B.

NOTE. — The coverage of investment projects shown differs from country to country. In Poland only the bigger projects are included, whether completed or planned. In Czechoslovakia all new industrial projects (including major reconstructions) completed in Slovakia (the eastern part of the country) are shown, but there may be some omissions in Bohemia and Moravia. In Hungary all completed industrial projects are shown.

In Hungary 52 of the 66 industrial investment projects completed in the first four years (1950-1953) of the Five-year Plan were in districts other than Budapest, which in 1938 contained 62 per cent of Hungary's industrial manpower. The Czechoslovak plan for the years 1949 to 1953 provided for the allocation of 29 per cent of total investment funds to Slovakia, a region parts of which had hitherto hardly been touched by industry.

These priorities were in line with the policy of industrialization as the key to economic development and political stability and the principle of balanced economic development. It was increasingly realized before the war that many of the sharp contrasts between rich and poor regions in eastern Europe were due to the accidents of history rather than to the necessities of geography. Poland, before the first World War, had been partitioned between three Great Powers which had for military reasons discouraged industrial development in their frontier regions which comprised a large part of what became Poland once more. Some of the undeveloped regions were known to be by no means deficient in mineral resources, and already in the inter-war period Polish Governments had started to develop some parts of the south-east of present-day Poland, largely for strategic reasons, as an industrial region. In Hungary, similarly, it had been accepted policy since the 'thirties to encourage new industrial enterprises to grow up outside the capital. The existence of mammoth villages of 10,000 inhabitants or more, without much in the way of amenities but at least with houses, made it possible for industrialization to go on in the Great Hungarian Plain with rather low social investment; in this respect Hungary was more fortunately placed than Poland, where the agrarian population is more scattered.

In Czechoslovakia little had been done to develop Slovakia in the inter-war period, nor had economic conditions in the rest of the country encouraged the migration of Slovaks to Bohemia and Moravia. After the war, the general economic and social arguments in favour of developing this region rich in resources and with considerable surplus manpower were reinforced by strategic considerations and by the expulsion of the Sudeten Germans, which caused serious manpower shortage in the old industrial centre of Bohemia. In its first stages, development was fostered by transplanting industrial equipment from the deserted industrial plants of the Sudeten regions to Slovakia.

In Rumania there was a sharp difference, from the point of view both of agriculture and of industrialization, between Transylvania, formerly a part of the Austro-Hungarian Empire, and the central part of the

Old Kingdom (which contained Bucharest and the Ploesti oilfield) on the one hand and the rest of the country, Moldavia, Oltenia and the Dobrudja, on the other. One of the main aims of the development plan was to reduce this difference by pushing industrial investment—in engineering, textiles and food-processing—at a faster rate in the poorer parts of the country. One reason for the Danube-Black Sea canal project, since suspended, was to open up the Dobrudja.

Regional contrasts are somewhat less pronounced in eastern Germany than in the countries mentioned above because the country is more highly industrialized and because the historical factors which have generated regional differences in other countries had not been in operation in eastern Germany. The urgent problems of reconstruction after the ravages of the war and the need to adapt the economy to the severance of economic relations with western Germany necessarily prevented regional policies from assuming the same scope as elsewhere in eastern Europe. In recent years, however, more attention has been given to regional problems.

Effects on Regional Differences

In the event there is no doubt that during the period of operation of the development plans intra-regional differences in income and in the degree of industrialization have been sensibly reduced. In Hungary and Rumania, where the most striking contrast had been between conditions in the capital and those in the rest of the country, a good start has been made in developing nuclei of industry in the countryside. In Hungary more than 50 per cent of industrial employment was outside Budapest in 1953 as compared with 38 per cent in 1938. The share of Slovakia in total Czechoslovak industrial production rose from 14 per cent in 1948 to 16 per cent of a considerably higher total in 1953, and the number of industrial workers in Slovakia doubled. Industrial employment in economically retarded voivodeships in Poland increased rapidly. Thus in Lublin voivodeship employment rose from 20,000 in 1949 to 50,000 in 1953 and in Cracow voivodeship from 119,000 to 170,000. Moreover, the extension of health and education services in all these countries was an important equalizing factor.

It is probable that the most progress in diminishing regional discrepancies has been achieved in Czechoslovakia. Slovakia now has an impressive array of new industries producing mining equipment, ball-bearings, machine-tools, synthetic materials and, not least important, steel.¹ In August 1953 an aluminium

¹ The Plan drawn up in 1948 called for the erection of two steel mills. Up to the present only one of these has been completed and work on the second has been suspended.

plant using Hungarian bauxite and Slovak water-power was put into operation, which has already reduced Czechoslovakia's dependence on imported aluminium from 90 per cent to 30 per cent. Slovakia thus now has a considerable concentration of industry equipped with modern machinery. In building it up the practice was to allow new plants a subsidy for the first year or two : after this initial period it is claimed that productivity per worker was as high as in comparable factories in the older industrial districts. Meanwhile, the old lag of Slovak agricultural yields behind yields in Bohemia-Moravia has been considerably reduced.¹

Throughout most of eastern Europe, if not in Czechoslovakia, the plan revisions of 1950 and 1951

¹ The yields in quintals per hectare in the various parts of Czechoslovakia changed as follows:

	<i>Bohemia and Moravia</i>			<i>Slovakia</i>		
	1937	1948	1953	1937	1948	1953
Wheat	20.4	18.0	21.6	12.0	13.5	16.8
Rye	17.9	16.4	19.9	9.5	12.8	14.4
Barley	20.0	17.9	21.0	11.7	12.9	16.4

6. CO-OPERATION IN REGIONAL POLICY BETWEEN COUNTRIES

While regional problems typically find their solution wholly within the framework of national economic policy, specific solutions are in important ways dependent on international economic relations, such as the possibilities of emigration or of promoting exports from the backward regions. There are, moreover, certain cases where international co-operation in regional policies can be particularly fruitful. The most important example of co-operation between neighbouring regions in different countries is the efforts made under the auspices of the European Coal and Steel Community to integrate more closely the utilization of the natural resources of the Rhine basin. The closer integration of the most developed regions in Germany with the most developed regions in France will, if it increases the efficiency of production in these regions, augment the strength of both the German and French economies in relation to the outside world. On the other hand, by simultaneously increasing the gap in efficiency between the most developed regions and other regions in each of these countries it may well aggravate their internal regional problems. The solution to this dilemma is, of course, not to avoid co-operation if it provides improvements in efficiency in the developed regions but to secure, by appropriate regional policies, that at least equally large improvements are made in efficiency in the less developed regions. It is natural therefore that the unfavourable effects of the ECSC on decentralized

had some adverse repercussions on regional policies. By laying a greatly increased stress on the expansion of heavy industry, the revised plans inevitably lessened the possibility of the original targets being achieved in a balanced way. When there was competition for resources, the big projects in heavy industry were allotted priority and the reduction of investment in agriculture by entailing increases in agricultural output well below those envisaged by the original plans limited significantly the scope for increasing investment and output in the food-processing industries, which found themselves working below capacity. Thus the opportunities for industrial employment in a number of rural districts in Rumania and in eastern Poland were less than had at first been planned.

With the change in priorities that dates from about mid-1953 it seems that the prospects for a more all-round reduction in regional disparities may be improved. This is mainly because the light and light-engineering industries, which are now receiving a higher priority, can often be located almost anywhere where there is an abundant labour supply.

French coal and steel production have strengthened the French interest in regional problems.

Closer integration would seem to be particularly favourable in cases where under-developed regions of two or three countries are neighbours to one another because such integration in so far as it raises productivity in these regions will, at the same time, reduce the regional disparities in all the countries concerned. As was mentioned in the beginning of this chapter, in the north of the Scandinavian peninsula three such under-developed regions of Norway, Sweden and Finland have common frontiers. Although communications across these frontiers are far from easy, distances between the most northern parts of these regions are nevertheless so much shorter than distances from each of them to their national centres that there should be possibilities for increased efficiency through some co-ordination in the national efforts to develop these regions. Apart from possibilities for co-ordination in the use of natural resources,² there may be considerable advantages in co-operation in the establishment of manufacturing industries for local consumption, because the sparsity of population makes the local market in the most northern part

² It has been proposed (by Frederik Vogt in *Statsökonomisk Tidsskrift*, August 1954) to connect the waters of Torne Lake and River, bordering Sweden and Finland, with the Norwegian Fjord Romba and thus increase considerably the supply of electricity to the northern regions.

of each of the three countries too small¹ for production of many industrial manufactures on an economic scale.

In southern Europe, the poorest regions of both Yugoslavia and Greece might benefit from schemes aiming at joint exploitation of the Vardar River and of the waters of Lake Prespa; similarly, the development of steel-using industries in northern Greece might be supported by co-operation with the new Macedonian steel centre.

It is, as previously mentioned, rather exceptional for under-developed regions in two or more countries to be neighbours to each other; many of the under-developed frontier regions are on the seashores of Europe (some of them are islands), many others are situated next to regions that are among the most developed in the neighbouring country. In the latter case, closer integration across frontiers may in certain circumstances be of mutual benefit; but in others it may entail the risk of aggravating regional dispersions in the poorest of the two countries, even if it is a benefit to the richer part of that country.

Insufficient attention has so far been given to the regional effects of closer economic integration between

¹ Total population in northern Norway is 400,000 and in Norrbotten and Lappland—which are the most northern parts of northern Sweden and northern Finland—250,000 and 150,000 respectively.

European countries. There is, to be sure, a growing awareness of the importance of this problem; and the increasing general interest in policies of regional development as such may lead to a better understanding of the specifically regional aspects involved in projects of international integration. As was shown in a previous SURVEY,² there is a danger that progress towards international integration may be achieved at the expense of the poorest countries. Similarly, it has been shown above that—unless countervailing measures are taken—technical advance in the most industrialized regions of a country tends to impoverish even further its poorer regions. Indeed, the proclaimed goal of many adherents of economic integration is to concentrate investment in those places where it is likely to be most immediately profitable to the private investor. Hence, the net effect of international economic integration may be, unfortunately, to favour the richest regions of the rich countries at the expense of the poorest regions of the poor ones. It is clear that, if this danger is to be avoided, programmes of European integration must be supplemented by measures, on an international scale, designed to promote industrialization and dynamic growth in the most destitute regions of Europe.

² *Economic Survey of Europe since the War*, Chapter 12.

Chapter 7

THE FRENCH ECONOMY : BASIC PROBLEMS OF OCCUPATIONAL STRUCTURE AND REGIONAL BALANCE

INTRODUCTION

In the immediate post-war years a major effort was made, along two distinct lines, to tackle the deeper structural weaknesses of the French economy.

One of these was the reinforcement of the policy, which had been inaugurated in the 'thirties, to increase the birth rate. The system of family allowances in France, together with the fiscal advantages accorded to large families, is now by far the most favourable in Europe. It probably goes a long way to explain the high birth rate since the war, which does more than reflect the postponement in family expansion during the war.

The other major development in French policy in the post-war period was the execution of the First Plan of Modernization and Equipment—the so-called “Monnet Plan”. It represented a new recognition of Government responsibility for the direction and financing of investments. Owing to this plan, publicly-financed investments in the years 1947 to 1953 amounted to more than half of total gross capital formation. This Plan made France stand out, among non-socialist countries, as the country where the influence of the State in the development of basic industries was the most systematic and the most pervasive.

In recent years, however, the investment and modernization effort has slowed down. There were several reasons for this. On the one hand, the first wave of long-term basic investments could not fail to produce inflationary effects—in the absence of measures to increase savings—and the disturbances created by the inflation made a breathing-space necessary in order to regain balance in the economy. On top of that, there were exogenous factors which added to the inflationary pressure; these were the Korean boom and, even more seriously, the increasing intensity of the war in Indochina. Capital flight,

gold hoarding and private accumulations of stocks aggravated the situation. In these circumstances, day-to-day efforts to combat inflation became the main preoccupation of French Governments. These efforts began to bear fruit in 1953 when they were also supported by an excellent harvest. The inflationary bottleneck of inelastic food supply was broken and there were even some price falls and growing surpluses in important agricultural products.¹ When, moreover, the end of the war in Indochina reduced the danger of further inflation arising from military deficits, the opportunity presented itself for economic policy once again to be concentrated on long-range problems instead of on stop-gap measures. In the autumn of 1954 the French Government announced its firm intention to tackle the structural problems of the French economy in a systematic way. The decision was based on explicit recognition of the fact that the French economy continues to suffer from deep-rooted weaknesses, which have cramped economic progress and made France lag behind in comparison with other countries of northern, western and central Europe.

The purpose of this chapter is to consider the main characteristics of the French production structure and its deviations from those of other western European countries and, against this background, to discuss some of the main problems of a long-range policy of economic reform and expansion. This delimitation of the scope of the chapter means, of course, that a number of important questions are left aside. It must be mentioned, in particular, that no attempt is made to deal with problems of the economic relationship between France and the overseas countries of the French Union.

¹ See Chapter 1, page 29.

1. THE LOW RATE OF INDUSTRIAL EXPANSION AND ITS MAIN CAUSES

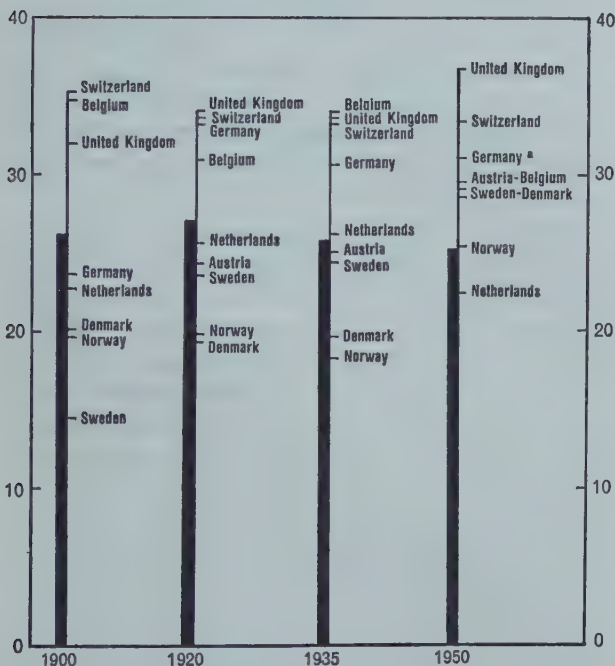
The relative decline in the French population compared with the rest of Europe is a fact often commented upon. In the time of Louis-Philippe, France accounted for one-seventh of the population of Europe (including Russia) while its share today is only one-fourteenth. The decline in the economic importance of France compared with other European countries does, however, often escape attention. In the time of Colbert, France had the lead in industrial development. As recently as a century ago it was still—almost certainly—the most highly industrialized country on the Continent. But in the past century France has been left behind by nearly all north-western and central European countries, as well as by several overseas countries. This lag in the development of industry is closely inter-related with that of population.

Chart 10, which shows the share of population occupied in industry in all north-western and central

Chart 10

ACTIVE POPULATION IN INDUSTRY IN NORTH-WESTERN AND CENTRAL EUROPEAN COUNTRIES

Numbers per thousand of population aged 15-59 years
France is denoted by the heavier vertical line

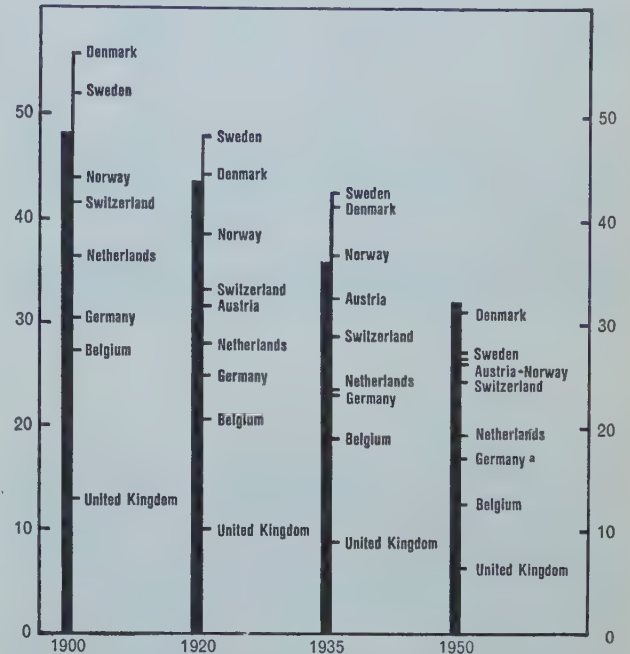


Sources: National censuses of population; *Annuaire statistique de la France*, 1938; *Etudes et Conjoncture*, No. 11, November 1954.
a Western Germany.

Chart 11

ACTIVE MALES IN AGRICULTURE IN NORTH-WESTERN AND CENTRAL EUROPEAN COUNTRIES

Numbers per thousand of male population aged 15-59 years
France is denoted by the heavier vertical line



Sources: National censuses of population; *Annuaire Statistique de la France*, 1938; *European Agriculture—A Statement of Problems*, ECE/FAO, United Nations publication, 1954.II.E.4, Geneva, 1954.
a Western Germany.

European countries, illustrates the slow progress of industry in France. In the last half-century, industrialization in France has proceeded less rapidly than in the rest of the area, except for those countries which had already achieved a high level at the end of the nineteenth century. Today, France is the least industrialized country of them all.¹

Moreover, the share of the French population engaged in agriculture is very high, as shown by Chart 11, not only in relation to countries that are food-importers but also in relation to countries which are large net exporters of agricultural products. In spite of this, France remains a net importer of food.

¹ Although the chart shows that the share of population in industry in the Netherlands is lower than in France, the Netherlands has an exceptionally high share of population occupied in other urban occupations such as transport and commerce, while the share occupied in agriculture is much lower than in France.

Table 77

RELATIVE INCOME LEVELS IN AGRICULTURE AND INDUSTRY ^a

Agricultural levels as a percentage of industrial levels

	France	Western Germany	Italy	Netherlands	United Kingdom	United States
Net production per head ^b (at factor cost)	50-70	50-80	50-70	88	..	52
Average hourly earnings ^c	60	60	40-60	85	75	..

Sources: Statistics of National Income and Expenditure, Statistical Papers Series H, No. 5, United Nations. Note sur la Répartition du Produit intérieur net entre les Branches économiques, INSEE. Statistisch Jahrbuch, 1954. national censuses of population and estimates derived from manpower sample surveys. Economic Survey of Europe since the War, Geneva, 1953, Table 51.

^a In this table industry includes transport and communications.

^b Owing to the different methods of reporting female workers in agriculture, the comparison of net production per head shows the range of ratios based upon two extreme hypotheses. The lower ratio has been derived by taking

as denominators active males and two-thirds the number of active females engaged in agriculture and industry. For the higher ratio the agricultural denominator has been obtained by increasing the number of active males in agriculture by 20 per cent, the additional 20 per cent being an estimate of work performed by women in agriculture; for industry the total of males and females has been taken. For the Netherlands and the United States both hypotheses gave very similar results and in each case the average of the two results has been shown.

^c Average hourly earnings of agricultural workers as a percentage of the average for unskilled male industrial workers.

The low degree of industrialization of France has serious effects on national income per head. In almost all countries, the contribution to national income made by persons engaged in agriculture is lower than that made by persons engaged in industry. Table 77 shows this for a number of industrial countries. It should be noted that the relations between agricultural and industrial incomes and output shown in the table are affected by the price relations between agricultural and industrial products which, in all of these countries except the Netherlands, have been influenced in favour of agriculture by various protective measures. At world market prices the relation between agricultural and industrial incomes is therefore still more unfavourable to agriculture in these countries than the table suggests. It appears from the table that the relationship in France between industrial and agricultural output per head is not significantly different from that of the other countries, again with the exception of the Netherlands. But this, of course, means that France is at a disadvantage in respect of other north-western and central European countries by the mere fact of having a higher proportion of its population occupied in this low productivity branch of the economy. This is a major reason why France, once the richest country in Europe, now has an average income which probably falls short of that of the United Kingdom and of most of the smaller north-western European countries by one-fifth or more and seems on the point of being overtaken also

by western Germany.¹ As will be shown below, the demographic development provides a clue to this lagging of industrialization and income.

The Effects of a Stagnating Population

It was during the first half of the nineteenth century that the French birth-rate fell significantly below that of other European countries. In the second half of the century, the rate of natural increase of the population approached zero in France (Table 78), while it remained around 1 per cent a year in the rest of Europe.

Prima facie, one might expect that the slowing-down in the increase of the population would have fostered economic progress in France. When the population increases, a corresponding increase in the capital stock of the country—means of production as well as dwellings and other social capital—is required merely in order to prevent a fall in average productivity and living standards. Since France was spared these “demographic” investments, all the investments which France could afford could be devoted to the task of increasing productivity and living standards.

Moreover, the declining birth rate throughout the nineteenth century implied an increase in the proportion of the population belonging to the active age-groups. In the period before the first World War,

¹ See Table 80.

Table 78

CHANGES IN POPULATION AND AGE-STRUCTURE IN SELECTED WESTERN EUROPEAN COUNTRIES, 1860 TO 1950

Period	Percentage increase in population					Share of population in the age group 15-59 years				
	France ^a	United Kingdom	Germany ^a	Netherlands	Sweden	France	United Kingdom	Germany	Netherlands	Sweden
1860						62.1	55.6	..	59.5	58.3
1860 to 1880	5.0	28.5	19.4	21.3	18.3	60.7	56.1	56.7	56.2	58.0
1880 to 1900	3.7	24.5	25.1	27.2	12.5	61.4	60.0	57.4	55.9	55.6
1900 to 1910	2.0	10.4	15.4	14.8	7.5	61.7	61.1	58.1	56.5	56.3
1910 to 1920	-5.5	4.7	-6.1	17.2	6.9	63.6	62.7	65.0	58.6	58.5
1920 to 1930	6.7	4.7	8.6	15.6	4.0	63.1	64.3	65.0	59.9	62.4
1930 to 1950	1.9	9.0	27.0 ^b	28.3	14.7	60.6	61.8	62.7 ^b	58.4	61.6

Sources : *Annuaire statistique de la France*, 1938. *Demographic Yearbook 1953*, United Nations. *Statistisches Jahrbuch für die Bundesrepublik Deutschland*, 1954.

NOTE. — The above data, derived from population censuses, refer as closely as possible to the period or year specified. The percentages showing the proportion of population falling in the age-group 15 to 59 years apply to the end of the period.

^a Alsace and Lorraine are included in the data shown for France in all years.

^b Western Germany.

France was in a much more favourable situation than other European countries in this respect, with 61 to 62 per cent of its population in the productive age-group between 15 and 60 years as against a share in the other western European countries included in the table varying between 56 and 61 per cent. The relationship between the labour force and consumption needs, and hence the savings potential, was thus particularly favourable in France.

In two ways, therefore, demographic stagnation could, other things being equal, have permitted economic progress through higher investments *per capita*: first, it reduced the need for "demographic" investments and, secondly, it enhanced the capacity for savings. But at the same time, demographic stagnation had other effects, which were inimical to progress, and it was these detrimental effects which prevailed.¹

First of all, demographic stagnation makes it more difficult to adapt the supply of labour to changes in demand caused by technical progress. Necessary changes in the occupational distribution of labour

take place mainly through the continued influx of young persons to the labour market, while it is much more difficult to induce persons already occupied in one branch of the economy to shift to another. The higher the rate of increase of the population, the larger therefore is the adaptability of the labour force to changes in demand and to technical progress. In France, young persons entering the labour market made up a smaller share of the labour force than in other countries and, even more important, a larger share of the young persons were single sons of their fathers and would therefore be inclined to stay at home in order to take over farms or workshops.

Although the rate of decline of the agricultural population in France has been more rapid than in most other western European countries, the numbers engaged in industry have not grown at all over the period of the last 25 years (see Table 79). The same picture is found within industry, where there has been a slow increase in expanding sectors accompanied by a fairly rapid decline in contracting sectors. Employment in mining and textiles has contracted no less in France than in most other countries, but expansion in such branches as engineering and chemicals has been much slower. Over the past 25 years employment in the French engineering industry has not increased while it has doubled in the United Kingdom and Germany. Today the French engineering industry employs a smaller share of the total population than did the engineering industries in the United Kingdom and Germany a quarter of a century ago.

¹ The French experience, as described below, is of course not relevant for the problems of overpopulated pre-capitalist countries. In such countries, rates of increase in population are much higher than in any country of Europe. Moreover, the relation between size of population and available resources are very different from that of France and, finally, demand factors are of secondary importance because production for the market accounts for only a small share of total production. In such countries it is usually a rapid population increase that is inimical to economic progress.

Table 79

AVERAGE ANNUAL RATE OF CHANGE
OF EMPLOYMENT IN INDUSTRY
AND AGRICULTURE, 1929 TO 1953

Percentage rates (compound)

	France	United Kingdom	Western Germany	Sweden
Total industry . . .	-0.4	1.1	1.8	2.1
of which :				
Mining	-0.9	-1.1	1.2	-1.5
Textiles	-1.9	-1.5	0.8	1.0
Engineering . . .	0.0	2.8	2.8	3.7
Chemicals	0.5	3.0	2.3	2.4
Agriculture	-0.9	-0.8	-0.4	-1.5

Sources : See Appendix B.

NOTE. — For industry, the data refer to wage and salary earners only, excluding employers, and cover the period 1929 or 1930 to 1953. For agriculture, the rates refer to active males engaged in agriculture, forestry and fishing, for the period 1930 or 1931 to 1950.

It is, however, not only in the field of labour but also in the field of investments that stagnation of population has reduced adaptability to technical discoveries and changes in demand. In an expanding economy, the growth of certain sectors, favoured by changes in demand and in techniques of production, can occur without necessarily involving an absolute contraction in other sectors. The risk that capacity may become redundant before it is written off is therefore small. In a stagnating economy, on the other hand, every

process of adaptation involves absolute reductions of activity in certain sectors. The potential investor is therefore subject to particularly disturbing uncertainties since if he has made an unfortunate investment choice, he runs a risk not only of low profits but also of having to scrap his capital before the end of its useful life. In such an economy there is no possibility of floating off mistaken investments on a rising tide of demand.

Since investors in France have been deprived of the guarantee which a rapidly expanding internal market provided in other western European countries, they have for a long time been disinclined to invest in productive capital. A large share of French savings has therefore either been invested in public funds or hoarded. Before the first World War much of French savings was invested in foreign countries. It has been estimated that in the period from 1892 to 1913 one-third to one-half of total French savings was invested abroad.¹ In 1913, the foreign assets held by France amounted to 45 billion francs—i.e., a sum much higher than the yearly national income at that time—and about 90 per cent of these assets consisted of loans to foreign States. Clearly, neither the foreign loans nor money hoarded contributed to improve or expand productive capital in France. In addition, only a very small share of French Government loans have been used for such purposes, except in recent years.

¹ See Harry D. White: *The French International Accounts, 1880-1913*, page 269. (Harvard University Press, Cambridge, 1933.)

Table 80

PER CAPITA GROSS NATIONAL PRODUCT BY MAJOR COMPONENTS IN FRANCE,
THE UNITED KINGDOM AND WESTERN GERMANY, 1952

In comparable units

	Gross national product = 100			France = 100	
	France	United Kingdom	Western Germany	United Kingdom	Western Germany
Gross national product	100	100	100	126	97
Private consumption	73	71	66	123	87
Investment	12	13	24	143	197
of which: Gross fixed capital formation .	13	14	19	136	140
Civil public expenditure	5	4	5	90	93
National defence	10	12	5 ^a	151	49 ^a

Sources : Milton Gilbert and Irving B. Kravis: *An International Comparison of National Products and the Purchasing Power of Currencies*, OEEC, 1954, Tables 8 and 12. *Statistics of National Product and Expenditure, 1938, 1947 to 1952*, OEEC. National statistics for gross fixed capital formation.

NOTE. — The results obtained for 1950 and expressed in purchasing power equivalent (European relative prices) by Gilbert and Kravis have been extrapolated to 1952. In the case of France revised figures (unpublished) have been used.

^a Occupation costs.

These characteristic features of the French labour and capital markets—the lack of elasticity in the supply of labour and in its occupational distribution and the disinclination to undertake productive investments—had the general result of petrifying the productive structure of the country. This led to an inelasticity in the supply of commodities which meant that an increase in demand was more likely to push up prices than to increase the quantities produced. The well-known susceptibility of the French economy to inflation can therefore be regarded as one of the consequences of demographic stagnation. In its turn, inflation—or rather the fear of inflation—has later become an independent cause of stagnation by discouraging savings by those who normally lend their savings on fixed terms.

The inflations which have haunted the French economy since the first World War have thus led to a complete reversal of the situation on the French capital market. Whilst in the past France had difficulty in finding investment outlets for its savings, fear of monetary deterioration—together with other factors—has since discouraged savings to such an extent that it has been difficult to finance even the modest requirements for productive private investments in recent years. The insufficiency of French savings can be gauged from Table 80, which shows that private consumption and current Government expenditure on civilian goods and services account for a higher share of the gross national product in France than in either the United Kingdom or western Germany. In terms of purchasing-power equivalent, gross fixed capital formation *per capita* in 1952 was more than one-third higher in each of those countries than in France.

The Impact of Wars and Depression

Although demographic stagnation and the structural rigidities resulting from it must bear much of the blame for the slower progress of industrialization in France than in other western European countries, it should be remembered that some of those countries were neutral in one or both of the two World Wars, while most of the others were less severely hit than France. Over the period since 1913, taken as a whole, France has probably devoted a larger share of its national income to wars and to defence expenditures in times of peace, and suffered heavier war destruction of its capital stock than has any other western European country, with the possible exception of Germany. Moreover, the war losses in human lives were heavier than elsewhere in western Europe, again with the exception of Germany (see Table 81). Despite the war in Indochina, French military expenditure (net of foreign aid) has, in recent years, been lower than the British, not only in absolute terms but also slightly lower as a share of national income, but it has nevertheless been nearly as high as total gross fixed capital formation. French military expenses exceed those of western Germany by about the same extent as the capital formation of western Germany exceeds that of France (Table 80).

If the ravages of two World Wars were severe in France, reconstruction was each time rapid. The large investments made in French basic industries after the end of the second World War have already been mentioned. As can be seen in Table 82, French industrial production recovered fairly rapidly also after the first World War. It was mainly during the 'thirties that France lost ground compared with other countries.

Table 81

WAR LOSSES AND EXPENDITURE ON NATIONAL DEFENCE

Country	War losses of life as a percentage of total population in the initial war-year			Destruction of dwellings ^a as a percentage of total dwellings in 1939	Expenditure on national defence as a percentage of national income			
	1914-18	1939-45		1939-45	1913	1923	1933	1938
	Military	Military	Civilian					
France	3.5	0.6	0.9	7.6	4.3	4.1	6.5	8.4
Germany	3.0	5.1	1.0	..	..	..	..	..
Italy	2.1	0.8	0.2	4.9	..	..	..	..
United Kingdom . . .	1.6	0.7	0.1	6.5	3.2 ^b	2.7 ^b	2.8 ^b	8.0 ^b

Sources : See Appendix B.

^a Destroyed and damaged dwellings expressed in terms of destroyed dwellings.

^b Fiscal years, April to March.

Table 82

MANUFACTURING PRODUCTION 1913 TO 1953 AND CONSUMPTION OF BASIC COMMODITIES IN 1953

Manufacturing production	France	United Kingdom	Germany ^a	Sweden	Consumption per head of basic commodities in 1953	France	United Kingdom	Germany ^a	Sweden
	Percentage changes					France = 100			
1913 to 1920-22 .	-27	-23	- 28	-14	Steel ^c	100	146	149	154
1920-22 to 1929 .	+95	+42	+ 63	+74	Cement	100	101	145	143
1929 to 1936 . .	-18	+23	+ 9	+38	Energy	100	211	145	166
1936 to 1947 . .	-11	+13	- 42 ^b	+61					
1947 to 1953 . .	+70	+43	+171 ^b	+21					

Sources: *Growth and Stagnation in the European Economy*, by Ingvar Svennilson, United Nations publication, 1954.II.E.3, Geneva, 1954; *OEEC Statistical Bulletin—General Statistics*; national trade statistics.

^a Including the Saar.

^b Western Germany, 1936 to 1948 and 1948 to 1953.

^c Average 1952-53, Sweden 1952.

No attempt will be made here to compare the mistakes of French economic policy in the 'thirties with those perpetrated in other countries at that time. Measured by results, the errors would seem to have been more serious in France; but the depression was bound to have more serious and lasting effects on an

economy which had already lost most of its dynamism a long time ago. Had an expansive force like population increase been at work in France, as it was in most other western European countries, the effects of mistaken policies would not have been so severe.

2. REGIONAL CONTRASTS IN THE PRODUCTIVE STRUCTURE

Centralization in Paris

The picture of the French economy which emerges from the preceding description is highly simplified and inadequate because it is based on average figures for the whole of France. It was shown in Chapter 6 that regional differences in economic levels are larger in France than in other western European countries and, therefore, any statement or figure which fails to distinguish between different parts of France runs the risk of being a half-truth, or worse.

A first step to get behind the average figures which conceal the true picture of the French economy is to separate Paris and the surrounding region from the rest of France. It is a common experience, valid for countries other than France, that an administrative centre also becomes the financial centre and attracts business and industry. This tendency is, of course, stronger the more centralized is the political and administrative system in a country. France has been a highly centralized State since the times of the *ancien régime* but, as long as agriculture was the dominating branch of activity, this could not result in marked economic centralization, especially since the centre happened not to be an important seaport. But in the critical decades of the industrial revolution, the

Map 4

FRENCH REGIONS REFERRED TO IN THE TEXT AND TABLES



magnetic effect of the political and administrative centre became a decisive factor in industrial location. As a whole, railway construction in France preceded rather than followed the growth of industry, and whereas the railway system in other countries took the shape of a network, in France it became a cobweb with Paris in the centre. This acted, of course, as a further invitation to industry to settle in Paris rather than elsewhere, so that in the middle of the previous century, when the framework was built for industrial location in France, both industry and population were attracted to Paris.

The effects of the concentration of industry around Paris were all the more serious because the size of the total population remained unchanged, so that immigration to Paris had as its counterpart a net decline of population in the provinces (Table 83). The adverse

effects of a stagnating population on economic progress have already been mentioned, and it needs no further proof that the same forces which paralyse progress when population ceases to increase become even more powerful when there is an absolute decline in population. Thus, both the forces that attracted industry and population to Paris and those that kept them away from the provinces were reinforced and the economy of France became split into a rapidly developing centre around Paris, showing an expanding population and a degree of industrialization comparable with that of other western European countries and, on the other hand, a decaying economy in the provinces. The combination of a centralizing policy and of a social psychology sensitive to the advantages of centralization resulted in a cumulative process in which Paris came to absorb all the net increase in

Table 83
POPULATION MOVEMENTS IN FRANCE,^a 1872 TO 1954
Thousands

Region ^b	Total population 1872	Changes in population					
		1872 to 1911		1911 to 1921	1921 to 1936		1936 to 1954
		Natural increase or decrease	Immigration (+) or emigration (—)		Natural increase or decrease	Immigration (+) or emigration (—)	
				Total			Total
<i>Northern</i>	9 422	+863	+1 922	—216	+561	+1 122	+844
Paris Region ^c	2 800	+143	+2 028	+362	+ 54	+ 989	+487
Seine-et-Marne	342	— 9	+ 31	— 14	— 4	+ 64	+ 44
Oise	397	— 13	+ 27	— 23	+ 14	+ 1	+ 33
<i>Central North</i>	8 412	+317	— 266	—810	+107	— 40	+153
Meurthe-et-Moselle (Nancy)	365	+ 36	+ 164	— 61	+ 48	+ 25	+ 31
Marne (Rheims)	386	+ 12	+ 39	— 70	+ 21	+ 22	+ 5
<i>Brittany</i>	2 947	+668	— 344	—197	+167	— 186	+ 16
<i>South Western</i>	7 889	+373	— 651	—637	— 79	+ 15	+ 62
Gironde (Bordeaux)	705	— 25	+ 149	— 10	— 26	+ 57	+ 46
Haute-Garonne (Toulouse)	479	— 50	+ 3	— 8	— 24	+ 58	+ 67
<i>South Eastern</i>	4 794	+152	— 32	—237	— 37	— 5	+106
Rhône (Lyons)	670	— 41	+ 287	+ 41	— 9	— 19	+ 38
Isère (Grenoble)	576	— 11	— 9	— 30	— 8	+ 56	+ 53
Loire (Saint-Etienne)	551	+ 89	+ 1	— 3	— 1	+ 14	+ 4
<i>Mediterranean</i>	2 639	+ 30	+ 471	— 8	— 36	+ 503	+ 14
Alpes-Maritimes (Nice)	199	+ 11	+ 147	+ 2	— 4	+ 160	+ 2
Bouches-du-Rhône (Marseilles) . . .	555	+103	+ 148	+ 36	0	+ 183	+ 24
Var (Toulon)	294	— 33	+ 71	— 8	— 10	+ 86	+ 14
TOTAL of 87 Departments	36 103	+2 403	+1 100	—2 105	+683	+1 409	+1 195

Sources : Résultats statistiques du Recensement général de la Population, 1946; Recensement de 1954, Population de la France.

NOTE. — The departments shown separately are those which acted as major centres of immigration inside each region. All data refer to the legal population; those for 1936 have been revised.

^a Excluding Alsace and Lorraine (Bas-Rhin, Haut-Rhin and Moselle).

^b For a definition of the regions, see Map 4.

^c Seine and Seine-et-Oise.

French industry and population, and more than that. In the 64 years from 1872 to 1936, the population of the Paris region increased nearly two and a-half times, or by 3.6 millions, while the total population of the rest of France decreased by 0.1 million.¹

No less strong was the centripetal force which drew cultural life to Paris, and this, in its turn, strengthened the tendency to economic concentration. It became normal for ambitious people to leave the provinces and to go to the capital, which offered better chances for promotion and for profitable utilization of their gifts. University statistics throw an impressive light on this tendency. In France, more than 40 per cent of all university students are to be found in the capital, as against less than 20 per cent in most other European countries.

¹ The figures have been taken from Table 83, which does not include the three departments of Alsace and Lorraine, as no comparable data are available. It does not appear, however, that the inclusion of Alsace and Lorraine would significantly alter the result.

Contrasts between Provinces

As said above, the distinction between Paris and the rest of France is only the first step to a clearer vision of French economic problems. Next, the contrasts between different regions have to be briefly described.

A few main areas besides Paris and its surroundings continued to attract immigrants: first of all, the stretch along the Mediterranean coast with the tourist industry and the seaport of Marseilles. Lyons, Bordeaux, and Nancy had a period of growth before the first World War. Toulouse and Grenoble have expanded more recently. Apart from these few exceptions, population was stable or declining in all the French provinces until the end of the second World War. More recently, the upturn in the birth rate has made itself felt everywhere: all the major regions listed in Table 83 show an increase in population from 1936 to 1954, although in some cases the increase is slight.

Table 84

EVOLUTION AND STRUCTURE OF ACTIVE POPULATION, 1896 TO 1936

Region	Changes in active population, 1896 to 1936 <i>Thousands</i>				Active population 1936 <i>Thousands</i>	Structure of active population, 1896 and 1936 <i>Percentages</i>					
	Agriculture	Industry	Other	Total		Agriculture		Industry		Other	
						1896	1936	1896	1936	1896	1936
Northern	—228	+406	+887	+1 065	6 370	23	15	42	42	35	43
Paris Region ^a	— 40	+402	+684	+1 046	3 162	6	3	43	42	51	55
Pas-de-Calais	— 19	+ 74	+ 42	+ 97	464	36	24	42	50	22	26
Central North	—396	— 92	+178	— 310	3 680	50	44	30	30	20	26
Brittany	—243	— 1	+ 68	— 176	1 475	66	58	18	20	16	22
South Western	—367	— 78	+128	— 317	3 562	63	58	20	20	17	22
South Eastern	—256	+ 6	+150	— 100	2 260	51	42	31	33	18	25
Mediterranean	— 8	+ 77	+253	+ 322	1 603	42	33	28	27	30	40
Bouches-du-Rhône	+ 2	+ 47	+115	+ 164	467	18	13	36	33	46	54
Alpes-Maritimes	— 13	+ 29	+ 63	+ 79	222	42	21	23	28	35	51
Total of 87 Departments .	—1 498	+318	+1 664	+ 484	18 950	46	37	30	31	24	32
	Changes in active population <i>Thousands</i>				1936	1907 1936		1907 1936		1907 1936	
Alsace and Lorraine ^b											
1907-1921	— 48	— 28	+ 51	— 25	869	39	25	40	43	21	32
1921-1936	— 90	+ 28	+ 31	— 31							

Sources: *Résultats statistiques du Recensement général de la Population*, 1901, 1921, 1936. *Comptes rendus statistiques*, Office de statistique d'Alsace et de Lorraine, 1924, pages 64 et seq. *Nachrichten des Statistischen Landesamts für Elsass-Lothringen*, May 1910.

NOTE.—For a definition of the regions see Map 4. Agriculture includes

forestry and fishing, industry includes mining and building but excludes public utilities. Active population covers both men and women; the Armed Forces have been excluded throughout.

^a Seine and Seine-et-Oise.

^b Bas-Rhin, Haut-Rhin and Moselle.

The interconnection between population movements and shifts in occupational structure can be seen from Table 84, which shows for main regions the changes in the population occupied in agriculture, industry and services in the period from the end of the nineteenth century to the eve of the second World War.¹ Inside each region, only departments in which the active population increased by more than 20,000 are shown separately. Out of the 90 departments, only five come into this category.

In the whole period of 40 years covered by the table, the net addition to the French labour force was of the order of half-a-million people, while the active population in agriculture declined by one and a-half million.² Thus, there was a net addition of 2 millions to the non-agricultural labour force but, of this, industry absorbed only 15 per cent while 85 per cent went to swell the ranks of the service trades. Paris and other parts of the northern region accounted for

the whole increase in the industrial labour force, apart from small increases in the departments to which Marseilles and Nice belong. In all other regions of France, the industrial labour force declined,³ in many cases because female labour shifted from the contracting textile and clothing industries to services, while other industries failed to grow.

The agricultural population declined in all regions except in parts of the Mediterranean region, where horticulture and wine-growing have provided increasing employment opportunities. Since most of the population leaving agriculture had to migrate from the region because employment in local industries declined instead of expanding, the provinces, apart from those in the North and East, remained predominantly agricultural despite the outflow from agriculture. On the eve of the second World War, agriculture still accounted for almost 60 per cent of the active population in the whole of western France, from Brittany to the Pyrenees, and the proportion is unlikely to have changed much since that time.

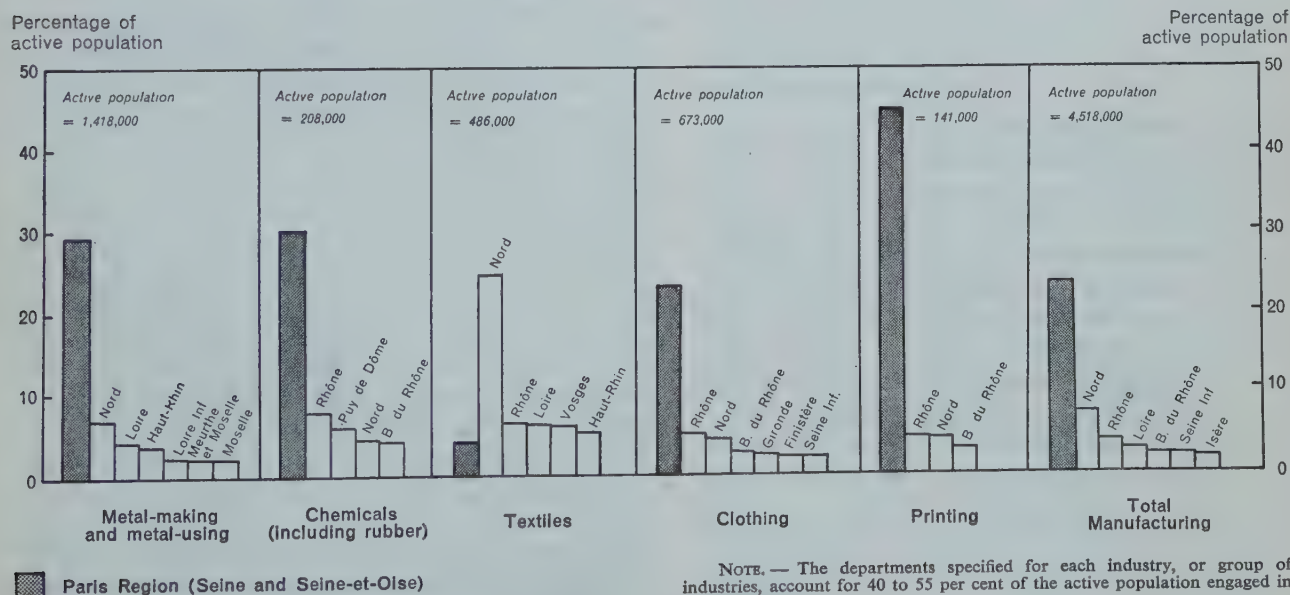
¹ It has not been possible to bring the information given in Table 84 more up to date because the detailed results of the 1954 census have not yet been published and because the 1946 census raises some difficulties of interpretation.

² The actual decline in agricultural labour force is still greater than is shown by the census figures, which are affected by a change in the classification of women belonging to peasant families. Consequently, census figures somewhat overstate the actual increase in total labour force.

³ The three departments of Alsace and Lorraine, which in 1896 were included in German territory, are shown in a separate table because comparable figures could be found only for different years. As can be seen from this table, the numbers in industry in this region declined in the whole period covered, but this was due to a decline in the period of German rule, while there was some increase in the inter-war period.

Chart 12

GEOGRAPHICAL CONCENTRATION OF INDUSTRY IN 1946



The Geographic Pattern of Industry

At the end of the last century, the concentration of industry in Paris was already considerable. Paris accounted for 16 per cent of all persons active in French industry and for a considerably higher share of the new industries such as engineering, other metal-manufacturing and chemicals. In the period from 1896 to 1936, industry became further concentrated in Paris. This was due partly to the fact that Paris had more of the new and expanding industries and partly to a more rapid increase, inside each group of industries, in Paris than elsewhere. Similarly, for the contracting industries, there was a smaller decline in those that were situated in Paris than in those situated in the provinces (see Table 85). In a number of important industries, such as engineering, chemicals and the printing industries, and even in food-processing, between one-third and one-half of the increase in employment in this period took place in Paris, which also absorbed 44 per cent of the net

addition to the labour force in the building industry. Despite the increases in employment in certain industries outside Paris—especially in mining, metal production and engineering in the North and in Alsace and Lorraine, and in chemicals in many parts of the country—these were far from sufficient to offset the large contractions in employment in the textile, leather and wood industries in the provinces.

The result of this shift of industry from the provinces to Paris can be seen in Chart 12 and Map 5. Apart from the heavy concentration of industry in and around the Paris region, there are fairly important concentrations around the iron-ore deposits of Lorraine and the northern coal-mines. In the Valley of the Rhône there is an old industrial concentration around Lyons, and another around Marseilles. Moreover, Grenoble and certain other districts in the Alps have developed into important industrial centres. Apart from these isolated spots, and a few less important ones, the industrial map of France is nearly a blank.

Table 85

ACTIVE POPULATION ENGAGED IN INDUSTRY IN PARIS AND IN FRANCE ^a

1896 and changes from 1896 to 1936

Industry	Active population engaged in industry in France Thousands		Percentage share of Paris region ^b	
	1896	Decrease (–) or increase (+) from 1896 to 1936	In French total in 1896	In French decrease or increase from 1896 to 1936
<i>Contracting industries</i>				
Textiles, clothing and leather	2 540	– 788	17	15
Wood	678	– 175	13	3
Ceramics and glass	146	– 5	12	^c
<i>Expanding industries</i>				
Mining and quarrying	227	+ 72	3	^d
Construction	552	+ 152	17	44
Food processing	445	+ 82	12	47
Metal-making	56	+ 51	2	5
Metal-using	608	+ 596	20	49
Chemicals, rubber, paper and printing . . .	225	+ 255	36	36
Other industries	128	+ 77	32	40
Total industry	5 605	+ 317	16	127

Source: *Résultats statistiques du Recensement général de la Population*, 1901 and 1936.

^a 87 departments, excluding Alsace and Lorraine (Bas-Rhin, Haut-Rhin and Moselle).

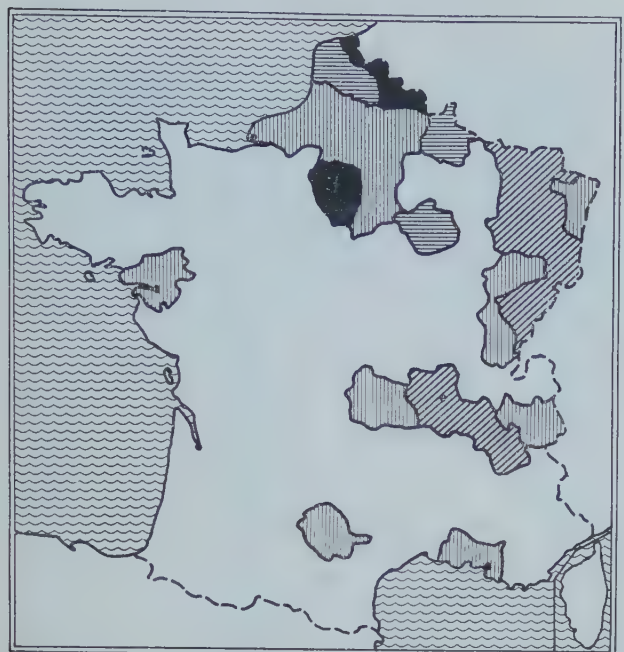
^b Seine and Seine-et-Oise.

^c The active population engaged in this industry in Paris increased from 17,300 to 22,600.

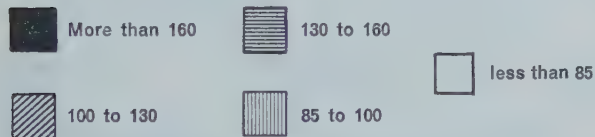
^d The active population engaged in this industry in Paris declined from 5,600 to 3,300.

Map 5

LOCALIZATION OF INDUSTRY IN FRENCH DEPARTMENTS IN 1951



Gross industrial product per head
Average for France = 100



Source : Information received directly from I.N.S.E.E.

The fact that industry has become so heavily centralized in a few districts does not mean that even these districts are particularly highly industrialized. The share of the population in working-age occupied in industry is about the same in Paris as in other western European capitals and, in the most industrialized north-eastern part of France, industry's share in the active population is not higher than in Piedmont or Lombardy in Italy, Catalonia in Spain or Bavaria in Germany, and much smaller than in the Ruhr and in virtually all of England.¹ In its least developed regions, France resembles southern rather than northern and central Europe. In Brittany and south-western France, the share of population in industry is not much above that of southern Italy, and if standards of living in these French regions are nevertheless far higher than in southern Italy it is partly because agricultural yields are higher and partly because rural over-population, even in Brittany, is less serious than in southern Italy.

¹ See Table 73, Chapter 6.

The Effects of Uneven Industrialization on Agriculture

The pattern of present-day French agriculture can be attributed mainly to the three major factors in French development described above : the stagnant population, the insufficient degree of industrialization and uneven distribution of industry.

In one respect, demographic stagnation was favourable to agriculture : it made agricultural land less overcrowded in France than in other continental European countries. This was a great advantage in the industrial north, where easy access to urban employment for manpower released from agriculture and an economic and psychological environment conducive to technical progress have combined with good soil conditions to create a rich modern type of large-scale farming. Agriculture in this part of France stands comparison with most other western European countries as regards both yields of crops and livestock and technical standards. Output per man exceeds that in western Germany, although it falls much behind the high standards reached in Denmark or in the United Kingdom (see Table 86). Nearly as high productivity per man is found in the adjacent fairly industrialized regions of eastern France.² However, the pattern of production in the north of France, like that of most other parts of France, is rather extensive, measured by the standards of most Continental western European countries, because the small size of total population in relation to the amount and quality of the land makes it possible to feed the French population with a fairly extensive use of land while large-scale agricultural exports have been prevented by the maintenance of agricultural prices which, for nearly all commodities, have been above world market prices.

Alsace and Lorraine and the Mediterranean region are the two other parts of France where agriculture occupies a reasonably small share of total population. They are third and fourth in output per man, after the industrialized north and east. Technical standards are, however, not so high ; farms are only half as big and the amount of labour per hectare considerably larger than in the north. The pattern of production has therefore become far more intensive, particularly in the Mediterranean area, where wine-growing accounts for more than half of the gross income of farmers (see Chart 13). In these regions, output both per hectare and per man correspond roughly to the standards reached in western German agriculture and the density of the agricultural population is also about the same.

² The eastern part of the central-north region in Table 86.

Table 86
REGIONAL CHARACTERISTICS OF AGRICULTURE IN FRANCE, WITH INTERNATIONAL COMPARISONS

Region ^a or country	Percentage of active population engaged in agriculture ^b	Production <i>France = 100</i>		Milk yields <i>France = 100</i>	Consumption of fertilizers (pure content) <i>France = 100</i>	Tractors <i>France = 100</i>	Land use <i>Agricultural area = 100</i>		Agricultural area <i>Hectares</i>		Average annual rate of decrease <i>Per thousand</i>		
		Per active male engaged in agriculture	Per hectare of agricultural area	Per milking cow per year	Per hectare of agricultural area	Per active male engaged in agriculture	Agricultural area		Per farm	Per active male engaged in agriculture			
							Cultivated area	Permanent meadows and pasture					
Northern	15	149	130	135	249	141	63	37	21	23	10	8.2	1.5
Central-North	32	128	74	122	100	189	65	35	73	27	14	13.8	3.5
Brittany	45	99	81	100	86	93	66	34	33	20	10	9.7	2.0
South Western	58	89	125	81	129	48	75	25	24	11	6	7.1	1.2
South Eastern	58	81	85	80	49	89	63	37	56	15	8	7.5	3.7
Mediterranean	42	70	81	88	29	70	45	55	89	12	7	10.1	6.1
Alsace and Lorraine	33	111	166	128	103	94	73	27	107	13	6	4.9	7.5
	25	128	140	113	54	96	63	37	59	10	8	..	..
France	36	100	100	100	100	100	64	36	52	16	8	8.6 ^c	3.4 ^c
Denmark	..	203	200	169	292	223	88	12	..	15	8	..	..
United Kingdom	..	207	117	136	177	810	54	46	..	40	13	..	..
Western Germany	..	120	170	135	341	229	61	39	..	9	6	..	..
Italy	..	47	110	85	76	34	75	25	43	..	3	..	..

Sources and methods : See Appendix B

Sources and methods: See Appendix B.

NOTE.— In the various calculations for France the numbers of active males in agriculture refer to 1946, for other countries to the latest census year. For the regional comparison within France, the basic data for the value of production relate to 1950, but the comparison of France with other countries refers to the average of the period 1950-1953. Remaining statistics such as land use, milk yields, consumption of fertilizers and tractors apply to 1953 or 1952/1953 throughout.

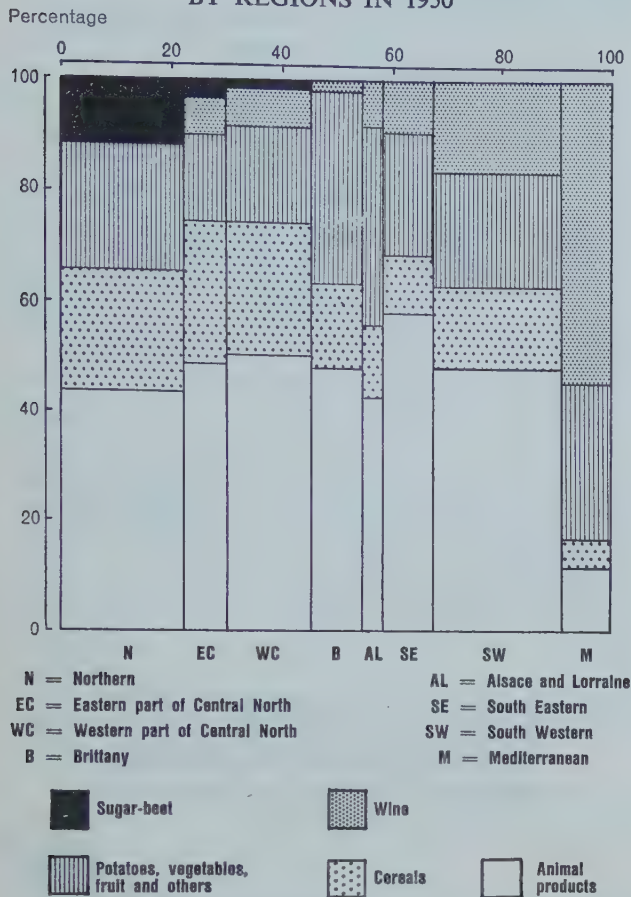
a For a definition of regions, see Map 4.

b The data are taken from Table 84 and refer to 1936.

c Excluding Alsace and Lorraine (Bas-Rhin, Haut-Rhin and Moselle).

Chart 13

COMPOSITION OF AGRICULTURAL PRODUCTION
BY REGIONS IN 1950



Sources and methods : See Appendix B.

NOTE. — For a definition of the regions see Map 4.

In all other parts of France, which have not benefited from the influence of progress in nearby industry, commerce or tourist trade, as have the regions just described, agriculture has remained as under-developed as industry and output per man very low, both in comparison with the more fortunate parts of France and with agriculture in other north-western and central European countries. In some of these under-developed regions, particularly in Brittany, there is considerable population pressure since labour cannot find occupation in nearby industry, and methods of cultivation are intensive; but in most of the others, the agricultural labour force has been reduced considerably by emigration either to more fortunate districts of France or overseas. In these thinly populated, predominantly agricultural regions the average size of farms is fairly high by continental European standards. The amount of land available per man in agriculture is larger than in western Germany, but half of what it is in the United Kingdom. Some of

these regions are mountainous areas with poor conditions for agriculture, such as the Alps and the Massif Central, but in the rest of these vast areas, which cover the whole of central, western and southern France (apart from the Mediterranean region) all pre-conditions for the development of a prosperous agriculture seem to be present : a favourable climate, fairly large farms and a not too dense population. But in actual fact agricultural techniques are on extremely low levels—whether measured in terms of numbers of tractors, use of fertilizer or milk yields per cow—and the pattern of cultivation is so extensive that output per hectare is far below the standards of Italy and the United Kingdom and less than half those of western Germany or Denmark.

It is often contended, when the agricultural performance of France is compared with that of other countries, that France is handicapped because it includes Mediterranean regions with poor natural conditions for agriculture. The above discussion of agricultural conditions and patterns in various parts of France reveals, however, that the regions which drag down the French average output—whether per man or per hectare—are not the Mediterranean regions but the industrially under-developed ones. The real handicap of French agriculture is not a physical, but a social one : French agriculture is paying the price of the smallness of French industry, of its uneven distribution over the country, and of the community attitude which has developed in a stagnating economy.

Employment in Services

It is commonly assumed that the French economy suffers from a hypertrophy of service trades more serious than that found in other countries of western Europe. It is difficult on the basis of existing statistics to know to what extent this is true.

Table 87 shows the share of active population engaged in services in France and in some other European countries, together with figures for selected industrialized and non-industrialized regions of France. Commerce and catering, but not public administration, occupy a much higher share of population in the rich districts of France than in the poor ones. On the other hand, the differences between the French average and those of other countries are small, and there is nothing to indicate that France occupies a particularly unfavourable position. It must be stressed, however, that international comparisons of occupational structures are precarious, and the results presented here must therefore be regarded as tentative, awaiting more comparable censuses or more intensive research.

Table 87
ACTIVE POPULATION IN SERVICES
Number per thousand of population aged 15-59 years

Department or country	Total services	Trade	Catering	Public administration ^a
Paris Region ^b	43.2	9.5	2.8	4.4
Bouches-du-Rhône (Marseilles) .	36.5	7.7	2.2	3.3
Rhône (Lyons)	34.3	8.3	1.9	3.4
Corrèze †	19.4	4.7	1.5	3.7
Lozère †	17.4	3.4	1.6	4.0
France	26.6	6.3	1.8	3.7
Great Britain	31.1	8.9	2.7	..
Western Germany	25.5	6.4	1.4	..
Netherlands	30.8	8.5	1.3	..
Sweden	26.8	8.2	1.5	..
Switzerland	27.1	7.2	3.1	..

Sources: National censuses of population.

NOTE. — Services include trade, catering, banking and insurance, transport, storage and communication, and government and business services —i.e., Divisions 6 to 9 of the *International Standard Industrial Classification*

of all Economic Activities. The data relate to 1946 for France, and to 1950 or nearest year for the other countries.

† Poorer departments.

^a 1936.

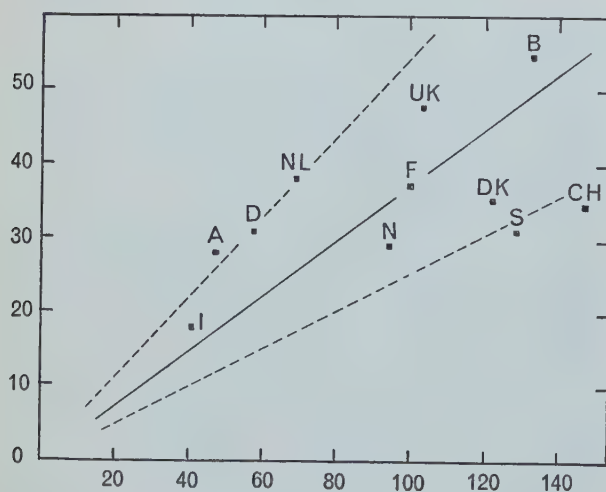
^b Seine and Seine-et-Oise.

Chart 14

TURNOVER AND EMPLOYMENT IN DISTRIBUTIVE TRADES

SELECTED WESTERN EUROPEAN COUNTRIES

Active in
retail trade
per thousand
inhabitants



Turnover per inhabitant, France = 100

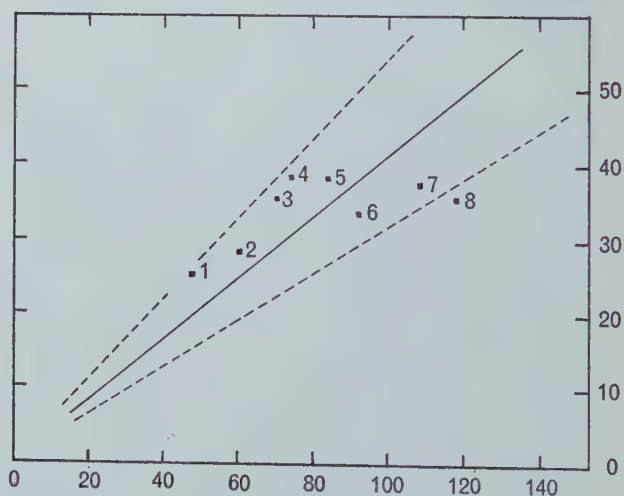
- | | |
|---------------------|---------------------|
| A — Austria | NL — Netherlands |
| B — Belgium | N — Norway |
| DK — Denmark | S — Sweden |
| F — France | CH — Switzerland |
| D — Western Germany | UK — United Kingdom |
| I — Italy | |

Sources and methods: See Appendix B.

General note: The data for the international comparison refer to 1950 or nearest year, whereas for the comparison within France the active population

**FRENCH DEPARTMENTS GROUPED
ACCORDING TO INCOME PER HEAD**

Active in
trade per
thousand
inhabitants



Turnover per Inhabitant, France (average) = 100

NOTE. — The 88 departments of France, excluding the Paris region (Seine and Seine-et-Oise), have been arranged in ascending order of departmental income per head and grouped into 8 groups of 11 departments. The average turnover per inhabitant for France includes the Paris region.

per thousand inhabitants relates to 1946 and the turnover per inhabitant to 1951. The three lines radiating from the origin in each graph join points of equal turnover per person engaged in trade.

It could be expected that differences in trade turnover per head of population between the countries listed, as well as between the various regions of France, should be reflected in differences in the share of population occupied in service trades. In order to account for this factor, the share of population engaged in distributive trades has been plotted against the turnover per head of population and the results are shown in Chart 14 for various countries and for various groups of French departments respectively.¹ The points in the chart for France show that, among the poorer districts, differences in turnover per head of population are associated with differences in the relative numbers of people engaged in distribution. For the richer districts, however, this does not appear to be the case. This pattern doubtless reflects the economies of skill and the higher efficiency in the richer districts, and the fact that in some of the poorer districts of France the population is very thinly spread over the territory, which entails higher real costs of distribution.

The inter-country comparison shows broadly the same pattern: the numbers engaged in commerce increase less than proportionately with increasing

¹ The turnover and manpower figures for the international comparisons have been taken from J. M. Jeanneney, *Les Commerces de Détail en Europe occidentale*, Paris, 1954.

trade turnover. In the present context, the important thing to note is that, even in this somewhat more refined comparison, France would appear to occupy a middle position. In fact, the chart suggests that the problem of overcrowding in distributive trades is more serious in the United Kingdom and Belgium than in France.

To avoid misunderstanding, it must be stressed that the preceding remarks in no way imply that France is not faced with a problem of hidden unemployment in commerce. All that has been shown is that France has this problem in common with most, if not all, other western European countries. What is abnormal in the French occupational structure is that the rate of net increase in the urban sector has been so low. The main problem is therefore to accelerate the growth of the urban sector as a whole, while probably the practical possibilities for transfers within the urban sector from services to industry are fairly limited.² The two main ways in which a higher rate of increase of the urban sector can be secured are rationalization of agriculture and immigration, as will be seen in more detail in the following section.

² The discussion here is concerned with the broad outline of the problem. There may well be scope for transfers, by specific economic policies, of surplus manpower from particularly overcrowded branches of the service trades.

3. PROBLEMS OF EXPANSION AND MODERNIZATION OF THE FRENCH ECONOMY

The Need for Industrial Expansion

As was seen in the preceding section, the retarded industrialization of France is a main cause of the backwardness of a large part of French agriculture. Another crucial sector of the French economy, that of export trade, suffers also from the weakness of industrial development: the structure of French exports presents the picture typical of a half-industrialized country in its heavy dependence on exports of raw materials and food while the commodity groups which commonly predominate in exports from highly industrialized countries are very weakly represented.³

The unfavourable composition of French exports leaps to the eye when it is compared with that of western Germany and the United Kingdom (Table 88). While French exports of raw materials and fuel are of roughly the same magnitude as, and food exports larger than, those of the two other countries, French exports of manufactured products are far smaller. Moreover, within the broad group of manufactures,

³ See also the analysis given in *Growth and Stagnation in the European Economy* by Ingvar Svennilson, United Nations publication 1954.II.E.3, Geneva, 1954, notably Charts 43 and 44 and Tables A59, A60 and A61.

textiles and semi-manufactures such as steel account for a much larger share in the case of France than in the case of the other two countries, the exports of which are concentrated on metal manufactures. While the United Kingdom exports 3, and western Germany nearly 2, billion dollars' worth of these goods, French exports amount to only \$750 million. The contrast is still more striking if net exports, instead of gross exports, are compared. France is so highly dependent on imports of machinery that it is hardly a net exporter at all and, if trade with the French overseas territories is left out of account, France appears to be a net importer of machinery and to have only a negligible export balance in transport equipment.

This export structure is one of the weakest parts of the French economy. Exports of basic food and raw materials are more liable to price fluctuations than industrial manufactures, and livestock produce, processed food and textiles are difficult to sell in the face of protective measures in importing countries, in Europe as well as overseas. By contrast, export markets for engineering products are steadily expanding because industrialization in other countries, while

Table 88

EXPORTS AND NET EXPORTS FROM FRANCE, THE UNITED KINGDOM
AND WESTERN GERMANY IN 1953

Group	Exports and net exports ^a Millions of dollars				Exports as percentages of total exports			
	France		Western Germany	United Kingdom	France		Western Germany	United Kingdom
	Total	Total excl. affiliated territories			Total	Total excl. affiliated territories		
Machinery	382	219	1 244	1 594	10	10	28	22
<i>Net exports</i>	53	-108	1 138	1 304				
Transport equipment	255	125	429	1 043	7	5	10	14
<i>Net exports</i>	159	29	409	903				
Other metal manufactures	110	44	228	410	3	2	5	6
<i>Net exports</i>	91	25	219	382				
Steel	478	396	335	378	13	17	8	5
<i>Net exports</i>	441	359	181	208				
Chemicals	284	185	477	497	8	8	11	7
Textiles	462	229	216	913	12	10	5	13
Other manufactures	466	241	611	871	12	10	14	12
Total manufactures	2 437	1 439	3 540	5 706	65	62	81	79
Food	469	222	112	437	12	10	2	6
Fuel and raw materials ^b	720	603	733	836	19	27	17	12
Miscellaneous ^c	158	35	4	251	4	1	—	3
TOTAL	3 784	2 299	4 389	7 230	100	100	100	100

Sources: OEEC Statistical Bulletin—Foreign Trade: Series IV, January-December 1953; for a detailed classification of the groups, see Appendix B.
^a Exports, f.o.b., less imports, c.i.f.

^b Including base metals other than steel.

^c Principally postal packages; those for western Germany are distributed over the different groups.

limiting the demand for imports of textiles, increases the demand for equipment. These are precisely the products of which France has very small exports, and no net exports at all except to its overseas territories. As long as this structure of foreign trade prevails, the French economy will continue to be highly vulnerable to any adverse change in economic conditions in other countries and stands to lose each time other countries make progress in their agriculture or industry.

The Second Plan for Modernization and Equipment (for the period 1953-1957) sets the target of a 30 per cent increase in the output of the engineering industries. Since a modernization of the industries is contemplated, this goal implies an increase in employment of only 10 per cent, or 2 per cent per year (see

Table 89). Such rates of increase in engineering employment will not, however, be sufficient to raise France to the level of other advanced countries. This can be seen clearly when we compare the 2 per cent per annum envisaged in the French Plan with the 3 to 4 per cent per annum (compound rate) at which the engineering industries of the United Kingdom, western Germany and Sweden have actually expanded over the last 25 years (Table 79). The contrast is no less striking in the chemical industry. In the most recent years this has everywhere been the expanding industry *par excellence*, and, in the highly industrialized countries just mentioned, employment has expanded by 2 to 3 per cent annually over the last 25 years. The French target, however, is unchanged employment over the five years covered by the Plan.

Table 89

MANPOWER IN 1952 AND PLANNED REQUIREMENTS FOR 1957

Branch	Total manpower		Increase (+) or decrease (—) 1952 to 1957 Thousands	Average annual rate of increase (+) or decrease (—) Percentages
	1952 Thousands	1957 (planned) Thousands		
Manufacturing	3 040	3 092	+ 52	+0.3
of which :				
Engineering	1 120	1 240	+120	+2.1
Chemicals	175	175	—	—
Textiles	549	530	— 19	—0.7
Energy	403	379	— 24	—1.2
Building ^a	719	894	+175	+4.4
Transport and communications	1 005	1 023	+ 18	+0.4
of which :				
Railways (SNCF)	419	393	— 26	—1.3
Total	5 167	5 388	+221	+0.8
Agriculture	7 000	7 000	—	—

Source : *Projet de Loi portant approbation du deuxième plan de modernisation et équipement*, Annexe au procès-verbal de la séance du 1^{er} juin 1954, page 129, Table 14.

^a Including the production of building materials.

As mentioned above, the First Plan for Modernization and Equipment gave a spurt to inflation and this experience has, perhaps, inspired a more cautious attitude now. Notwithstanding the continuing need for increasing, by fiscal reforms or other means, the total savings of the community, it is pertinent to point out that the possibilities of expansion without inflation have improved in several ways during recent years. To begin with, investments in the processing industries have a shorter turnover—that is, they add more quickly to the supply of goods than do investments in the basic industries such as power and steel. Therefore, investments in manufacturing industries would be less likely to engender inflation than the basic investments of the First Plan. Secondly, two important bottlenecks—in the supply of steel and of food—have now been broken. Steel is now readily available for the expansion of the steel-consuming industries, to such an extent that French net exports of finished steel are more than twice as big as those of the United Kingdom or western Germany, and much larger than French net exports of engineering products. As for food, the time is now past when an increase in employment and income necessarily made food prices soar. In fact, French food production is now so capable of expansion that an increase in demand for food, until recently the crux of any policy of industrial expansion, may now be regarded as one of its incidental benefits, since it tends

to alleviate the problem of marketing agricultural products.

In the present situation, then, the obstacle to a policy of industrial expansion lies not so much in the physical possibilities of stepping up the supply of consumer goods *pari passu* with the increase in income. The main difficulties are, it would seem, first, the limited mobility of manpower, which will be discussed later, and, second, a certain attitude of restrictionism and pessimism, fostered by a long period of stagnation in industrial employment. This attitude tends to colour the outlook not only of French investors and industrialists but also of industrial workers and civil servants and, where it prevails, measures of protection come to look more attractive than measures of modernization, and measures of modernization less repelling than measures of expansion.

The bias in favour of protection held back the development of large-scale industry, because the cost structure was burdened by taxes imposed on the most efficient enterprises and branches of the economy to the benefit of the less efficient ones. Thus, the tax burden on French industry becomes very heavy because of the exceptionally large fiscal privileges granted to French agriculture. In fact, French farmers pay very little in taxes. They are exempted from the heavy taxes on value added and on turnover as well as from the wage tax, and—besides many minor

facilities—they are almost unaffected by the proportional income tax. The following figures show the importance of all taxes paid by enterprises in agriculture and in industry. The figures represent taxes in proportion to total value added:

	Direct taxes	Employers' contributions and indirect taxes net of subsidies
	Percentages	
Agriculture	4.7	2.4
Industry	6.4	30.8

Source : I.N.S.E.E. "Note sur la répartition du produit intérieur net entre les branches économiques", 14 January 1954.

In the case of the personal income tax the farmers pay, on the average, only one-tenth of one per cent on their income while non-agricultural businessmen pay 3 per cent.

Small businesses, which fall under the heading of "artisan" enterprises, are exempt from the licence tax and from the taxes on value added and services, and a substantial rebate on the income tax is granted to them. The taxes thus saved may add up to one-fourth of total value added if the taxpayer produces, say, about one million francs worth per year. This has resulted in a significant increase in the number occupied in small-scale activities and has led to technical regression in certain industries, such as the production of leather goods and brooms, and house-building in rural districts.¹

All these favours to agriculture and small-scale urban enterprises place a disproportionate share of the tax burden on industry proper. In addition, certain less efficient industries receive direct subsidies which, inevitably, are financed by taxes on the more efficient.

While attention has been drawn to the adverse effects of certain protectionist measures, it is not intended to imply that all protection granted to French industry is harmful. Although gradual steps towards liberalization of imports and reductions of internal subsidies may be beneficial as parts of an integrated programme of industrial expansion, they run the danger, if applied in isolation or too suddenly, of benefiting mainly the foreign exporter at the expense of those parts of French industry which are most in need of strengthening—that is, industry in the under-developed regions.

It is often argued, by French critics as well as by foreign observers, that the only way to promote the

¹ The difficulty of controlling the application of the tax system offers some *de facto* protection also to the smaller medium-sized firms. It has been estimated that while tax evasion for firms with a turnover of 200 million francs or more amounts to 25 to 30 per cent, the figure for firms below 7 millions is 80 per cent or more. (See: Service des études économiques et financières du Ministère des Finances, *Rapport sur les comptes de la Nation, 1951*, page 64, note 1.)

efficiency of French industry is to expose it to competition. This is no doubt true, but it does not necessarily follow that this competition must come from outside. If the modern industrial enterprises which are to force efficiency, through competition, on the existing ones could be built inside France, the inefficient industrial enterprises would have to gird themselves to face sterner competition and, at the same time, the French industrial potential would be enlarged.² On the other hand, the mere unleashing of foreign competition would carry the risk of provoking, at least in the first instance, a fall in French production.

Still more favourable effects would be obtained by setting up the new industries in the non-industrialized and decaying regions. These regions would then become more industrialized and, at the same time, the necessary industrial climate would be provided for the modernization of agriculture in these backward regions. Such a policy would, moreover, simultaneously lay the basis for a more favourable structure of French exports.

As is true of French agriculture, industrial exports are hampered by high prices, and a modernization of industry would, by relieving costs, broaden the market for industrial exports. If, however, efforts to improve French industry consist predominantly of measures to modernize, but not to expand, capacity may well prove insufficient to exploit the increased export possibilities once costs are brought down to competitive levels. Moreover, if the industrial programme is kept on so modest a scale that the new employment created is no more than that needed to absorb labour set free by modernization, the new industries will—if open unemployment is to be avoided—have to be built in places near to the old industries. As can be seen from Table 89, the Second Plan for Modernization and Equipment foresees increases in employment in all manufacturing industry of only 52,000 in five years. At the same time the employment objectives call for an increase of 175,000 in building and for decreases of 25,000 both in mining and in railways, while employment in other transport is supposed to increase a little more than railways decline. It is clear that a programme of this magnitude leaves room for the building of only a limited number of engineering plants in the coal and textile districts which are already the most highly industrialized regions of northern and eastern France, while no industrial development can take place in the regions suffering from insufficient industrialization. Instead, the Plan envisages better employment opportunities

² This should not be taken to imply, of course, that other measures, such as improvements in market organization, taxation systems, and credit facilities, would not be necessary.

in these regions by large investments in land improvements. These land improvements will be discussed further below together with the prospects for marketing an increased output of agricultural products.

The Need for Modernization of Agriculture

As in the case of industry, the choice with which French agricultural policy is faced is that between protection, modernization and expansion. It was argued in the preceding section that in the field of industry the positive solution is expansion. In the present section it will be argued that in agricultural policy modernization needs to be the overruling consideration.

Owing to demographic stagnation over the last century, French agriculture lacked the incentive that increasing home demand for food provided in other countries. Hence, marketing difficulties have been a more recurrent problem in France than elsewhere, despite the protection against cheap imports, and this has produced an attitude of protectionism and pessimism among French farmers very similar to that found in other branches of the French economy. Farmers claim security against marketing difficulties and declining prices, and successive Governments have been inclined to provide such security in various forms. It has been seen that French agriculture is leniently treated by the tax authorities. In addition, agricultural prices are supported both by tariffs and by import restrictions as well as by Government purchases of agricultural surpluses.

More recently, with the rapid increase in output, the problem of surplus production has presented itself throughout practically the whole range of agricultural products: there is now a superabundance of wheat, milk and meat, as well as of wine, sugar-beet and cider-apples.¹ In this situation, the official French attitude towards agriculture is being modified. The emphasis is shifting from measures of protection to measures of modernization and expansion, with the aim of reducing costs so as to enable the growing surpluses to be sold in French and foreign markets.

It has been estimated that under present conditions technical progress in French agriculture yields an annual increase in the volume of output of some 4 per cent under normal climatic conditions.² Even with the present higher birth rate the population of France can at most be expected to increase by one per cent annually, unless immigration policy were to be radically changed, and since the income elasticity of demand for food in France is probably of the

order of one-third, an annual increase in real *per capita* income of around 10 per cent would be required if the increasing output of agriculture were to be absorbed by the home market without any significant decrease in prices.³ It is clear that such an increase in the level of income is beyond what can be expected even under the most optimistic assumptions and, consequently, France seems to be faced with the alternative of becoming a major exporter of agricultural produce or of changing its agricultural structure towards a more extensive pattern of production,⁴ or some combination of these two possibilities.

The second solution would involve the abandonment of the poorest land and a shift, on some of the better land, from labour-intensive products like wine, sugar-beet and certain fodder crops to cereals and grass or planting of forests. A shift of this kind, especially when made as part of a policy of modernization, would necessarily be accompanied by a considerable reduction of the agricultural labour force. Although such a development would be a continuation of past trends in French agriculture, it is repugnant to French public opinion, and the idea of France becoming a major agricultural exporter has therefore been gaining ground. The Plan for the years 1953 to 1957 foresees an increase in agricultural output of 20 per cent, and it is explicitly stated that the aim is not only to satisfy domestic demand but also to increase agricultural exports considerably.

The question arises, then, to what extent and under which conditions this is a realistic approach.

Present agricultural prices in France are far from being competitive, and exports are subsidized. For some time the hope was nourished that France might be able to export at preferential prices inside the shelter of a European Agrarian Union. Since this hope has been shattered, the emphasis is now on making French prices competitive through a drive for higher productivity. The chief aim of this drive is to raise output per man through higher output per hectare, with the amount of labour input remaining unchanged. Much less emphasis is being laid on measures to raise output per man through replacing labour by machinery, the plan in this respect being consistent with the very limited objectives set for the increase in industrial employment.

³ For a more general discussion of this problem as well as some of the problems raised below, see *European Agriculture: A Statement of Problems*, ECE/FAO, Geneva, 1954.

⁴ The third possibility, a significant decline in prices, need not be discussed separately since nearly all agricultural products have price elasticities far below unity. An expansion of sales through a decline in prices therefore implies a decline in total gross proceeds of farmers which, in practice, is inconceivable without a parallel reduction in costs.

¹ See Chapter 1, page 29.

² *Rapport annuel sur l'exécution du Plan de modernisation et d'équipement de l'Union française*, 1954, page 65.

In addition, a number of large projects of land improvement are contemplated. These consist partly in bringing new land under cultivation and partly in replacing wine by other labour-intensive products. The investment costs involved in these plans are very considerable. For instance, the Second Plan for Modernization and Equipment contains a scheme for irrigating land in Languedoc in order to enable the manpower now producing wine to be devoted to other labour-intensive crops. The estimated cost is 500,000 francs per hectare irrigated. Less capital per job created would be required if, instead, industries were established in Languedoc to absorb labour set free from the vineyards.¹

But this is not all. The profitability of such schemes for land improvement cannot realistically be measured on the basis of present French prices of agricultural products. The projects, if carried out, will mature at a time when a large part of the increase in agricultural production will have to be exported, and the relevant yardstick for judging them is therefore the prices which France can expect to obtain on foreign markets, not now, but at the time when the investments begin to bear fruit. Moreover, it needs to be taken into consideration that agriculture carries a much smaller tax burden than industry and this makes the profitability of investments in agriculture look much more favourable compared to industrial investments than they really are from the point of view of the French economy as a whole.

In discussions about the possibilities of future French exports of agricultural products it seems often to be implied that nothing more is required than a reduction of costs sufficient to cover the present discrepancy between French and world market prices. But such a reduction of costs is far from sufficient. In the industrially developed countries which are major exporters of agricultural products—Denmark, the United States, Canada, Australia and New Zealand—the productivity of agricultural labour is increasing more rapidly than in France, primarily because concurrent with mechanization there is a continuous pull of labour from agriculture to industry, and because, in some cases, marginal land is being taken out of cultivation. It follows that, before the difference in costs between France and the major agricultural producers can be reduced, a considerable effort is required merely to prevent a further widening of the gap. Finally, it must be taken into account that, even at the present uncompetitive prices and in spite of all facilities

granted to agriculture, a considerable section of the agricultural population of France has an income which is very low compared with that of industrial workers. In those parts of French agriculture technical progress would therefore have to be accompanied by increasing living standards. In other words, not all of the increase in efficiency would be available for the reduction of prices.

So far, the argument has been based on the tacit assumption that export markets are unlimited if only export prices are competitive. This assumption may be warranted as far as cereals are concerned, because French exports, even if considerably enlarged, would continue to be only a small fraction of world exports. But for animal products the situation is very different. The export availabilities which France could achieve if its production were stepped up might in a short span of years amount to a sizeable proportion of world trade in animal products. If British imports from the Commonwealth are left out of account as not really open to competition, world trade in animal products including British imports from countries outside the Commonwealth is around one and a-half billion dollars, and the total quantities traded are far smaller than present French output. Moreover, in nearly all the importing countries, among them the United Kingdom and western Germany, the long-term trend is for the output of animal products to expand more rapidly than their consumption; and import controls are continuously being used to give domestic products priority in the home market. Under these circumstances, it is uncertain, to say the least, whether greatly increased French surpluses could find sufficient markets even if prices became competitive.

It remains to mention one more obstacle, perhaps the most serious, to the development of large-scale agricultural exports from France. This obstacle lies in the regional contrasts within French agriculture. There is no room, in an exporting country, for marginal low-productivity producers, unless they are left to live at starvation levels or are supported by subsidies. It is characteristic of all the agricultural exporters mentioned above that capital-intensive methods of production permeate the whole of agriculture. Marginal subsistence farming, where it exists—as it still does though decreasingly so, in parts of the deep south of the United States—is a slum industry from which labour is absorbed as employment expands in more productive industries.

It is therefore a pre-condition of France's becoming a major exporter of agricultural produce that farming in its backward regions should either be abandoned or else transformed from being mainly a means of subsistence with very small marketable surpluses to a

¹ It is, moreover, doubtful if the irrigation would actually lead to replacement of vines with other crops, since there would be no obligation to stop cultivation of vines on the irrigated areas. See reply of the Minister of Agriculture to a Parliamentary question, *Journal Officiel*, 23 December 1954, page 6852.

modern, scientific and highly mechanized activity. In both cases, the agricultural labour force in these districts would have to be reduced and, at least in the latter case, industrialization in the backward regions would be a necessary concomitant, not only in order to prevent further depopulation but also because an industrial climate is the *sine qua non* of progressive agriculture.¹

French efforts to become a major agricultural exporter are based on the desire to avoid a shift in the agricultural structure towards a more extensive pattern of production, which would necessitate a considerable reduction of the agricultural labour force. It would seem, however, that agricultural exports do not provide any escape from this undesired but probably unavoidable solution of the dilemma of French agriculture. It is true that the agricultural labour force per hectare is as high in an agricultural exporting country like Denmark as it is in France, but output per man is twice as high and a doubling of French production of labour-intensive products of the type exported by Denmark would, as indicated above, more than double the supplies now offered in the open world market.² The only realistic alternative open to France is therefore either to reduce its agricultural labour force with some dependence on agricultural exports, probably mainly of cereals, or to continue to support by tax exemptions and direct subsidies large numbers of high-cost marginal producers. The last solution implies that the growth of French industry should continue to be hampered by, at the best, a slow expansion of labour supply and by the financial burden imposed by the subsidization of agriculture.

Requirements of Labour and Capital

The carrying out of a broad programme of industrial expansion and modernization of agriculture along lines such as those suggested above will make heavy calls on France's resources of labour and capital. Not only will the volume of labour and capital employed have to increase but both factors of production will have to be sufficiently mobile to comply with the needs of the programme.

From the labour side, it might seem, at first sight, that there is full harmony between the two basic proposals of expanding industry and modernizing agriculture. Manpower which becomes redundant in

a more highly mechanized agriculture should be available for the expansion of industry. In fact, however, it is not easy to shift labour from one occupation, or one region, to another; and the problem—as has been shown above—is all the greater in France as a result of the low birth rate of the pre-war years. The number of young people entering the labour market is determined by the number of births fifteen years previously and it will be a few years yet before the supply of young entrants is swelled by the bulge in post-war births.

Not only is there a problem of persuading labour to move at all, but there is also a difficulty in guiding it in the desired direction. The tendency has always been for net internal migration to be towards Paris and a few other prosperous towns. But what is needed is a movement of labour towards the sparsely populated and backward regions in which the essential development of new industries is handicapped by lack of suitable manpower. For, as has been explained above, unless new industries are developed in these regions even the modernization of agriculture will be extraordinarily difficult, if not impossible.

It will obviously be necessary to explore further the possibilities of internal migration within France. In recent years some small-scale projects for the transfer of agricultural manpower from the overcrowded to the under-populated agricultural regions have been carried out with fairly satisfactory results. The main flow has been from Brittany to Gascony. But other regions, apart from Brittany, such as Alsace and Lorraine and the Mediterranean region, suffer from serious overcrowding in agriculture and should be capable of providing manpower both for new local industries and for other more sparsely populated regions.

In order to encourage labour to move to the areas in which new industries are to be established, specific measures will be needed. Experience in other countries has shown that, provided there are jobs for the workers to go to, the difficulties are not insuperable. The sorts of measures required are good advisory services, the subsidizing of transport, the provision of temporary lodgings and, of course, a suitable housing policy.

If, nevertheless, in the process of industrialization a shortage of labour should appear, it would be desirable, rather than to curtail the industrial programme, to open the door to immigration from abroad. This would be in the interest not only of France itself but also of neighbouring countries, such as Italy, which have a large surplus of unutilized

¹ It is often forgotten that such overseas agricultural exporters as Canada, Australia and New Zealand are more highly industrialized than most western European countries. Thus, in spite of their dependence on agricultural exports, only 15 to 20 per cent of their active population is engaged in agriculture.

² That is, world trade except for imports of the United Kingdom from the Commonwealth.

manpower. French immigration policy has traditionally been liberal : in the prosperous 'twenties net immigration into France was no less than 150,000 to 200,000 persons annually. As with internal migration, however, there may be some difficulty in directing foreign immigrants into the appropriate areas. Certainly, many past immigrants, who in recent years have come mainly from North Africa, have tended to follow the same path as internal migrants and to settle in Paris or other prosperous towns.

The problem of labour supply may, however, be easier to solve than the problem of finding sufficient capital. At present, heavy long-term investment in agriculture is envisaged. It has been argued above that it would be better if greater emphasis were placed on industry and less on agriculture. Nevertheless, even if the most costly agricultural projects were abandoned and the equivalent resources were devoted to industry, a programme for expanded industrial development would probably require an appreciable increase in the aggregate volume of capital formation in France. The programme can be considered at two levels. On the one hand, even a moderate programme, unaccompanied by large-scale immigration, would require some increase in investment. A more ambitious programme, however depending on the employment of large numbers of immigrants, would require a very much greater volume of investment. This would be true not only because of the more rapid expansion of industry but also because of the additional social capital required to house and serve the immigrants.¹

Both from the point of view of French interests and from a wider international standpoint, there are strong reasons for the second—more ambitious—programme rather than the first. But it must be recognized that the crucial problem will be how to find the necessary capital. The French propensity to save in pre-war years was certainly not deficient; rather the reverse. But since the second world war, whenever investment has been expanded it has outrun the internal sources of saving, and inflation has resulted. This, in turn, has further discouraged saving. In the last two years, as was mentioned above, conditions have much improved and there is less danger of inflation than previously. Nevertheless, any large expansion in the rate of French investment

will clearly depend for its success on carefully planned measures designed to provide the necessary savings.

Much of previous saving has found its way into hoards or speculative stocks or has disappeared abroad; and even productive investments, because they have in large part been self-financed, have not always been made in the most advantageous way from a national point of view.

If private savings prove insufficient, it may be necessary for the Government to take responsibility for raising supplementary funds by an overhaul of the fiscal system. It is widely recognized in France itself that there is need for a more effective and rational taxation system than exists at present. As already mentioned, farmers and "artisans" are now very largely exempt from taxation; and it is a well-known fact that there is widespread evasion by many other unincorporated businesses. Since evasion is, at present, not equally easy for everybody, even a rational system of taxation would be uneven in its incidence; and a general tightening up of the tax administration is essential. The technical problem of making correct assessments of the earnings of unincorporated businesses has now been partly solved; nevertheless there remains the political and social problem of ensuring enforcement of the existing rules.

It will clearly be necessary not only to secure a sufficient volume of capital to meet the needs of the industrialization programme, but also to watch over its distribution. Private capital will not flow into the backward regions of France without suitable incentives; but incentives must often be supplemented by methods of persuasion and, if necessary, control in order to secure the co-operation of capital—as well as labour—in the national plan.

* * *

The preceding pages have dealt with the four main deficiencies of the economic structure of France : agricultural backwardness, insufficient industrialization, regional unbalance and a weak export structure. All are symptoms of fundamental weakness in the economy. To some degree they interact on one another in a vicious spiral.

Hence, policies for overcoming these deficiencies risk being frustrated unless they are conceived as an integrated whole, in which measures for industrial expansion, agricultural rationalization, regional balance and a strengthened export structure mutually support and give momentum to one another. At the same time, it will be necessary to secure a suitable

¹ From the experience in some countries, however, it seems that it may be possible, with comparatively small investments in transport, to provide at least temporary accommodation in neighbouring villages in which there is already a surplus of housing and other facilities. This has been done on a rather large scale in Slovakia, and in many districts of Switzerland it is usual for industrial workers to live permanently in surrounding villages. See, on the latter point, P. George and J. Tricart: *L'Europe Centrale*, Vol. 2, page 475, Paris, 1954.

flow of labour and capital into the key sectors of the economy.

In recent years, efforts have been made to tackle regional problems in France by promoting the growth of industry outside the Paris region, and, in the field of agriculture, several proposals for land improvement have been under discussion, aimed at increasing production and income in some of the very poor regions. It would seem, however, that the main emphasis of the present policies is on the negative aim of avoiding further concentration of industry in and around Paris. The policies do not appear to be part of an integrated scheme to solve the problem of the under-developed regions of France as a whole. While some attempts are being made to establish industry in Brittany, it seems likely that the main benefits of the decentralization policy will be reaped by the north-east and by certain areas in the Alpine regions, such as the Grenoble district which is now envisaged as the future centre of the French electronic industry.

The essential thing, however, is to work out a major development plan for the vast backward region of western France. The success of such a plan would depend on striking an appropriate balance between industrial and agricultural development. It would be necessary to decide what industrial centres should be created and what kind of production pattern should be aimed at in different parts of the region.

If the task of industrializing western France were taken up, it would in itself tend to overcome the bias in favour of agriculture which has been characteristic of previous regional policies. So long as shortage of food was the chief danger it was natural to pay special attention to agricultural expansion. In the future, however, industry is likely to prove the more serious bottleneck. The products of industry will be needed on the home market, for the development of the overseas members of the French Union and as the basis of a general expansion of French exports.

Appendix A
SUPPLEMENTARY STATISTICS

Table I
INDEX NUMBERS OF INDUSTRIAL PRODUCTION IN WESTERN EUROPE

Country	Percentage share of total in 1952 ^a	1950 = 100											
		1951	1952	1953	1952		1953				1954		
					Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter ^b
Austria	2.2	114	115	117	115	114	106	116	119	127	115	134	140
Belgium	3.7	115	112	112	105	115	110 ^a	114 ^a	110 ^a	115	115 ^a	121	117
Luxembourg	0.3	123	123	112	118	122	117	121	106	104	105	113	118
Denmark	1.7	102	98	102 ^a	91	102	102 ^a	103 ^a	95 ^a	106 ^a	106 ^a	111	100
Finland	0.8	116	111	112	98	117	108	109	108	125	121	125	122
France ^c	13.8	109	108	109	101	113	111	113	95	114	116	123	110
Saar	0.4	122	128	125	126	127	124	129	124	125	126	134	135
Western Germany	21.8	119	128	139	126	141	129	137	138	152	143	154	154
West Berlin	0.8	145	160	192	158	177	177	185	193	214	212	234	247
Greece ^d	0.7	114	114	131	110	115	110	122	133	152	150	152	160
Ireland	0.6	103	101	111 ^a	97	106	103 ^a	112 ^a	113 ^a	118 ^a	109 ^a	113	116
Italy	8.2	113	116	127	112	122	119	124	125	138	133	136	137
Netherlands	3.3	104	106	117	103	114	113	117	115	125	121	128	123
Norway	1.2	107	108	113	97	113	118	110	104	119	128	117	110
Sweden	4.3	105	103	105	90	110	106	109	90	115	111	114	95
Turkey ^d	1.0	104	118	130	119	127	..	..	..	..	..	..	..
United Kingdom	33.3	105	101	106	91	105	107	108	99	113	115	116	105
Yugoslavia	1.9	97	96	106	95	105	91	104	107	124	98 ^a	120	125
Total of countries listed .	100.0	110	110	116	103	116	113	117	110	125 ^a	122	127	121

Sources and methods: See Appendix B.

NOTE. — (i) The index numbers relate to mining and quarrying, manufacturing, and gas, water and electricity production, but not building—i.e., Divisions 1, 2–3, and 5 of the *International Standard Industrial Classification of all Economic Activities*.

(ii) The index numbers are corrected for the number of working-days for Belgium, Luxembourg, Denmark, France, Saar, western Germany, West Berlin, the Netherlands (except metal-mining and metal-making, metal-using and chemicals), Norway and Sweden; in other words, the influence of public holidays is eliminated, but not that of other absence from work. The index numbers for the United Kingdom are for a standard week, uncorrected for holidays, but an adjustment is made for the changing position of Easter. The other index numbers [Finland, Greece, Ireland, Italy, Netherlands (for metal-mining and metal-making, metal-using and chemicals), Spain (for sectors), Turkey and Yugoslavia] are for calendar months or quarters with no adjustments. For Austria, the index numbers always refer to a thirty-day

month, thereby correcting for the varying number of days in the month. Annual index numbers are not always the averages of the quarterly index numbers, owing to the difference in length of the quarters.

^a The percentages are obtained by applying the volume index numbers for 1952 (1938 = 100) to 1938 weights, which are proportional to estimated net output in that year. The figures thus calculated take no account of shifts in relative prices since 1938.

^b Provisional.

^c The component for the metal-using industries incorporated in the index for total production has been adjusted as in Table V. Further, the annual figures include, and the quarterly figures exclude, manufactures of food and beverages, of wood, and of clothing.

^d For Greece, annual index numbers include, in addition to industries included in the quarterly index numbers, lignite mining and, for Turkey, the production of sugar and wine.

Table II
INDEX NUMBERS OF ENERGY PRODUCTION

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
				Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter ^a
Austria ^b	116	123	133	126	124	121	130	138	143	139	144	161
Belgium	114	122	124	115	124	124	126	121	125	127	130	126
Luxembourg	114	117	123	114	119	120	122	123	127	131	130	140
Denmark	114	123	123	105	143	145	100	106	142	158	129	115
Finland ^c	110	116	128	107	131	127	120	123	142	141	122	124
France	111	117	117	109	124	124	115	102	124	129	121	115
Saar	109	110	109	109	110	114	110	104	110	113	109	109
Western Germany	115	124	132	121	134	132	127	129	140	142	138	141
Italy	122	139	158	141	148	147	153	157	175	173	173	181
Norway ^d	101	107	111	94	114	117	104	100	123	135	115	107
Spain ^d	116	129	135	124	130	130	140	134	138	127	122	..
Turkey ^b	110	118	133	111	139	..	..	..	..	..	..	..
United Kingdom	106	108	111	98	116	121	109	97	119	126	113	101

NOTE. — The index numbers cover the production of coal, petroleum, coal and petroleum products, electricity, natural and manufactured gas, steam—i.e., major groups 11, 13, 32 and 51 of the *International Standard Industrial Classification of all Economic Activities*. See also the general note (ii) to Table I.

^a Provisional.

^b Excluding manufactured gas.

^c Including water services.

^d Excluding the manufacture of petroleum products.

Table III
INDEX NUMBERS OF METAL-MINING AND METAL-MAKING

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
				Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter ^a
Austria	120	135	148	144	126	124	151	165	158	147	178	193
Belgium	129	124	113	111	127	119	117	104	114	119	121	124
Luxembourg	128	130	115	123	130	123	125	106	104	107	113	121
Finland	136	137	130	126	145	123	131	122	143	138	153	144
France	115	122	111	108	124	115	117	95	116	115	120	112
Western Germany	121	134	129	133	141	134	129	123	131	133	146	153
West Berlin	152	192	210	184	224	205	194	204	237	246	268	283
Greece	148	189	227	191	192	186	218	251	259	222	270	314
Italy	128	142	141	144	144	125	137	146	157	147	155	163
Netherlands	110	111	140	114	120	136	140	142	144	143	153	161
Norway	108	118	127	110	127	128	131	119	132	132	126	119
Spain	113	122	129	121	132	125	132	125	131	127	..	..
Sweden	119	122	123	112	130	125	136	103	132	126	128	103
Turkey ^b	95	136	167	165	134	..	..	..	..	..	..	..
United Kingdom	106	109	106	101	111	110	106	96	113	116	115	104

NOTE. — The index numbers cover the production of metalliferous ores, primary metal, rolled products, castings, forgings and other basic forms of ferrous and non-ferrous metals—i.e., major groups 12 and 34 of the *International Standard Industrial Classification of all Economic Activities*. See also the general note (ii) to Table I.

^a Provisional.

^b The index numbers cover metal-mining only and exclude metal-making, for which no data are available.

Table IV
INDEX NUMBERS OF PRODUCTION IN METAL-USING INDUSTRIES

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
				Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter ^a
Austria	118	125	110	123	123	111	105	104	118	109	125	133
Belgium	116 ^a	114 ^a	107 ^a	107 ^a	118 ^a	107 ^a	108 ^a	107 ^a	113 ^a	111	118	110
Luxembourg	97	98	96	94	98	99	95	93	98	97	94	88
Denmark ^b	108	104	105 ^a	93	102	104 ^a	107 ^a	96 ^a	114 ^a	116 ^a	121	108
Finland ^c	125	124	110	111	126	115	110	98	119	118	116	105
France ^d	111	115	114	111	117	115	112	92	103	110	120	107
of which : transport equipment	109	116	123	107	117	120	134	106	133	142	163	127
Western Germany	133	150	154	146	158	146	157	152	164	165	184	177
of which : transport equipment	128	158	172	164	164	156	179	174	179	202	225	206
West Berlin	158	171	194	168	183	177	189	194	216	216	236	253
Greece	120	113	134	103	118	115	123	137	161	167	169	175
Ireland	105 ^a	87	91 ^a	79	80	78 ^a	93 ^a	92 ^a	102 ^a	110 ^a	121	116
Italy	108	116	131	111	124	128	132	125	139	136	136	136
of which : transport equipment	99	109	138	105	120	127	138	132	156	156	160	176
Netherlands	103	109	122	111	109	110	122	131	126	119	140	138
Norway	110	113	113	97	120	122	113	100	119	119	112	100
Sweden	105	104	97	87	105	105	102	78	104	104	105	83
United Kingdom	107	107	110	96	110	111	112	102	118	120	122	111
of which : transport equipment	102	102	114	92	107	112	117	107	122	128	131	121

Sources and methods : See Appendix B.

NOTE. — The index numbers cover the manufacture of metal products, machinery and transport equipment—i.e., major groups 35 to 38 inclusive of the *International Standard Industrial Classification of all Economic Activities*.

The index numbers for the subgroup "transport equipment" include as nearly as possible the manufacture of and repairs to railway rolling-stock, motor vehicles, bicycles and aircraft, but not shipbuilding—i.e., groups 382 to 389 inclusive of the above standard classification. See also the general note (ii) to Table I.

^a Provisional.

^b Including metal-making—i.e., major group 34.

^c Including the manufacture of precision instruments—i.e., major group 39.

^d The annual figures are based on estimates of the volume of final goods. The quarterly series is incomplete and is partly based on indirect indicators of output, and its movements may not reflect accurately changes in production. The two series have been linked by adjusting the average of the quarterly figures for 1952 to the annual figure for that year.

Table V
INDEX NUMBERS OF CHEMICAL PRODUCTION

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
				Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter ^a
Austria	103	94	103	96	94	93	101	107	111	119	127	114
Belgium	119	116	113	112	101	103	120	106	123	128•	135	132
Luxembourg	133	128	124	122	129	129	134	117	114	118	131	141
Denmark ^b	102	92	98•	89	94	97•	101•	94•	100•	99•	109	94
Finland	116	108	119	103	110	108	125	116	128	131	143	130
France	113	107	114	93	110	109	116	104	127	126	135	124
Western Germany	120	123	145	121	133	136	145	146	156	156	170	170
West Berlin	141	145	190	135	160	174	186	183	218	210	226	219
Ireland	102	99	117•	84	105	125•	119•	103•	122•	126•	113	110
Italy	130	119	140	115	121	121	135	149	156	156•	166	166
Netherlands ^c	114	117	126	118	114	122	120	120	143	154	149	..
Norway	119	115	115	100	103	144	99	107	111	190	123	120
Spain	114	159	176	136	204	202	179	154	169	..	..	..
United Kingdom	106	100	115	91	106	115	116	110	123	126	132	121
Yugoslavia	102	103	111	90	100	99	117	111	118	113	140	133

Sources and methods : See Appendix B.

NOTE. — The index numbers cover the production of basic industrial chemicals, fertilizers, vegetable and animal oils and fats, and other chemical preparations such as soaps, perfumes, medicinal preparations, etc. The production of synthetic fibres and yarns has been excluded wherever possible. The definition corresponds as nearly as possible to that of major group 31 of the

International Standard Industrial Classification of all Economic Activities. See also the general note (ii) to Table I.

^a Provisional.

^b Including petroleum and rubber manufactures.

^c Including synthetic fibres and yarns.

Table VI
INDEX NUMBERS OF TEXTILE PRODUCTION

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
				Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter ^a
Austria	117	100	107	81	104	105	100	103	117	114	113	118
Belgium	102	85	94	77	101	88	92	92	106	100	102	98
Luxembourg	87	75	89	67	85	87	88	84	97	98	75	66
Denmark	90	83	89•	72	94	94•	93•	80•	89•	89•	88	80
Finland ^b	108	109	114	95	123	116	119	95	129	122	122	109
France	106	94	98	74	98	95	102	84	110	107	112	90
Western Germany	111	104	121	99	126	113	116	122	133	125	121	125
Greece	116	109	119	102	111	103	108	119	145	147	139	136
Ireland	101	85	114•	74	105	111•	110•	111•	125•	118•	107	114
Italy	112	96	104	88	103	101	104	99	112	110	108	105
Netherlands ^c	99	90	107	88	102	105	103	105	114	113	111	111
Norway	106	89	93	75	99	102•	89	78	103	104	92	83
Spain	96	118	125	115	129	131	124	119	127	114	115	..
Sweden	101	86	96	72	95	97	100	84	106	100	100	78
United Kingdom	101	81	97	71	91	98	98	90	102	104	102	92
Yugoslavia ^b	87	79	77	71	85	73	75	69	91	81	96	92

Sources and methods : See Appendix B.

NOTE. — The index numbers cover the manufacture of textiles, including the making of synthetic fibres and yarns, excluding clothing—i.e., major group 23 of the International Standard Industrial Classification of all Economic Activities. See also the general note (ii) to Table I.

^a Provisional.

^b Including the manufacture of clothing. For Finland, this branch represents about one-third of the total coverage of the index.

^c Excluding synthetic fibres and yarns.

Table VII

INDEX NUMBERS OF PRODUCTION IN THE FOOD, BEVERAGES AND TOBACCO INDUSTRIES

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
				Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter ^a
Austria	106	111	114	110	125	102	110	109	135	99	107	113
Belgium	103	106•	111•	106•	103•	109•	113•	113•	112•	109•	118	115
Luxembourg	114	110	111	120	99	105	126	117	99	107	125	110
Denmark	99	97	98•	98	94	92•	105•	97•	97•	92•	109	98
Finland	110	121	123	111	133	108	119	127	136	110	133	139
France	99	89	99	••	••	••	••	••	••	••	••	••
Saar	105	113	128	122	114	117	136	131	127	125	141	132
Western Germany	106	113	131	110	142	104	123	128	171	114	130	130
West Berlin	109	112	143	104	126	133	139	134	166	145	167	148
Greece	110	108	119	110	102	104	119	131	132	133	146	155
Ireland	101	109	118•	119	107	99•	125•	130•	118•	96•	113	123
Italy	103	107	110	99	116	107	103	104	125	111	107	107
Netherlands	101	101	104	101	114	90	104	108	118	91	105	107
Norway	103	104	106	104	100	97	118	111	97	96	120	109
Sweden	100	98	101	89	109	99	100	90	117	95	107	93
United Kingdom	98	101	107	98	102	99	116	104	110	103	117	104

Sources and methods : See Appendix B.

NOTE. — The index numbers cover the production of food manufacturing, beverage and tobacco industries—i.e., major groups 20, 21 and 22 of the

International Standard Industrial Classification of all Economic Activities. See also the general note (ii) to Table I.

^a Provisional.

Table VIII

INDEX NUMBERS OF PRODUCTION OF BUILDING AND ALLIED MATERIALS

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
				Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter ^a
Austria	114	104	96	135	93	55	110	124	94	53	139	161
Belgium	125	104	119	106	98	96	131	129	121	99	127	133
Denmark	105	104	106•	115	102	86•	116•	118•	103•	80•	124	118
Finland ^b	108	96	102	94	87	67	99	124	117	98	124	128
France ^c	114	121	118	119	119	106	129	114	122	105	130	126
Western Germany	114	115	125	130	113	92	130	144	132	100	143	156
Greece ^d	128	154	192	171	156	125	194	221	226	178	242	260
Ireland ^d	110	112	118•	114	111	111•	117•	112•	130•	113•	132	136
Italy	109	116	138	118	122	124	144	137	146	123	147	159
Netherlands ^e	104	106	107	104	108	101	105	107	116	108	114	110
Norway ^f	110	121	126	126	129	116	113	129	142	140	143	145
United Kingdom ^d	105	104	108	98	105	107	106	105	114	111	111	107

Sources and methods : See Appendix B.

NOTE. — The index covers stone-quarrying and the manufacture of cement, bricks, tiles, glass and glass products and other non-metallic mineral products—i.e., major groups 14 and 33 of the International Standard Industrial Classification of all Economic Activities. See also the general note (ii) to Table I.

^a Provisional.

^b Including asbestos, asphalt and peat—i.e., major group 19.

^c Including electric bulbs and tubes, and optical glass.

^d Excluding quarrying.

^e Excluding the manufacture of glass and glass products, and pottery, china and earthenware—i.e., groups 332 and 333.

^f Including limestone, quartzite and peat, i.e., major group 19.

Table IX
INDEX NUMBERS OF EMPLOYMENT IN INDUSTRY IN WESTERN EUROPE

Country	Number of wage and salary earners employed in mid-1953 (millions)	1950 = 100											
		1951	1952	1953	1952		1953				1954		
		Average			Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept. ^a
Austria	0.8	105	103	101	103	100	100	101	103	102	102	105	108
Belgium	1.1	104	102	101 ^a	102	101	100	100 ^a	100 ^a	99 ^a	99 ^a	99	100
Denmark ^{b e}	0.5	99	94	94 ^a	100	94	97 ^a	100 ^a	103 ^a	94 ^a	99 ^a	105	106
Finland ^{c e}	0.4	103	98	94	96	94	93	94	94	93	94	99	98
France	4.4	102	101	99	101	100	99	99	100	99	99	100	100
Saar	0.2	105	108	109	109	109	109	109	109	109	109	108	110
Western Germany . .	7.4	108	112	116	115	114	113	117	119	118	119	123	125
West Berlin	0.3	112	117	122	122	117	121	120	127	121	126	128	136
Ireland ^d	0.1	101	96	103	95	97	102	103	106	107	106	107	108
Italy ^e	3.0	101	101	101	104	100	100	100	105	100	100	102	106
Netherlands	1.1	103	100	103	101	100	102	103	104	104	105	106	..
Norway	0.3	102	101	102	101	100	100	104	102	101	102	106	105
Sweden ^e	0.9	102	99	96	99	97	96	96	96	97	97	97	98
Switzerland ^e	0.8	109	112	112	112	112	111	112	112	112	112	113	115
United Kingdom ^{d f} .	10.0	102	102	103	101	102	102	102	104	104	104	105	106
Total of countries listed	31.3	104	104	105	105	104	104	105	106	105	106	108	109

Sources and methods: See Appendix B.

NOTE. — The index numbers relate as nearly as possible to wage and salary earners in mining and quarrying, manufacturing, and gas, water and electricity production, but not building—i.e., Divisions 1, 2-3 and 5 of the *International Standard Industrial Classification of all Economic Activities*.

^a Provisional.

^b Index numbers based on man-hours worked.

^c The index number for 1950 does not reflect the September–October strikes, because no count of labour was taken during that period.

^d Index numbers include employers as well as employees.

^e Index numbers refer to wage-earners only.
Great Britain only.

Table X
INDEX NUMBERS OF EMPLOYMENT IN METAL-MINING AND METAL-MAKING INDUSTRIES

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
	Average			Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept. ^a
Austria	103	106	104	106	105	105	103	104	105	106	107	111
Belgium	112	111	105	109	111	107	105	103	104	103	103	105
Luxembourg ^b	104	106	106	106	107	106	107	105	104	104	103	106
France	101	104	101	104	104	102	100	99	97	97	96	96
Saar	114	118	117	118	118	117	116	116	114	113	112	113
Western Germany	113	129	132	132	132	131	132	132	132	132	136	139
Italy ^b	102	103	100	103	102	100	102	100	98	98	99	99
Netherlands	107	110	111	110	109	110	110	112	114	115	115	..
Sweden ^b	102	105	105	104	106	107	106	104	103	102	103	103
United Kingdom ^c	101	105	102	103	104	102	101	102	102	102	102	103

NOTE. — The index numbers cover as far as possible workers employed in the production of metalliferous ores, primary metal, rolled products, castings, forgings and other basic forms of ferrous and non-ferrous metals—i.e., major groups 12 and 34 of the *International Standard Industrial Classification of all Economic Activities*. However, for Austria, Western Germany, Italy,

Netherlands and the United Kingdom, metallic ore mining is not covered.

^a Provisional.

^b Wage-earners only.

^c Great Britain only.

Table XI

INDEX NUMBERS OF EMPLOYMENT IN METAL-USING INDUSTRIES

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
	Average			Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept. ^a
Belgium ^b	109	110	105	110	108	107	106	106	104	104	106	106
France	103	104	101	104	102	101	101	101	102	102	103	103
Western Germany	111	116	123 [*]	119	119	119	123	126	126 [*]	127	132	137
West Berlin	117	123	126	126	124	124	126	129	128	129	137	147
Italy ^b	100	100	103	101	101	102	103	103	104	105	106	107
Netherlands	107	109	111	109	108	109	110	113	114	116	117	..
Sweden ^b	103	104	97	103	101	98	96	96	96	97	98	99
Switzerland ^b	112	120	118	121	121	118	119	117	118	117	120	122
United Kingdom ^c	104	107	108	107	108	107	107	108	110	110	111	113

NOTE. — The index numbers cover workers employed in the following industries: manufacture of metal products, machinery and transport equipment—i.e., major groups 35 to 38 inclusive of the *International Standard Industrial Classification of all Economic Activities*.

^a Provisional.

^b Wage-earners only.

^c Great Britain only.

Table XII

INDEX NUMBERS OF EMPLOYMENT IN CHEMICAL INDUSTRIES

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
	Average			Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept. <i>a</i>
Austria <i>b c</i>	103	99	99	99	96	95	99	102	102	102	105	109
France <i>b d</i>	105	104	103	103	102	102	103	103	103	105	106	105
Western Germany	108	110	113	111	110	111	113	115	116	118	121	123
West Berlin	99	100	102	100	100	101	103	104	103	103	104	107
Italy <i>e</i>	102	103	106	102	103	105	106	107	108	111	111	111
Netherlands	108	108	111	107	109	110	110	112	114	117	118	..
Norway <i>c</i>	110	109	108	106	105	107	108	108	107	116	116	115
Sweden <i>e</i>	103	99	96	97	97	95	95	95	96	96	96	96
Switzerland <i>e</i>	108	107	106	106	106	106	107	106	107	108	110	112
United Kingdom <i>f</i>	102	103	103	103	102	102	103	105	105	106	107	108

NOTE. — The index numbers cover employment in the production of basic industrial chemicals, fertilizers, and other chemical preparations such as soap, perfumes, medical preparations, vegetable and animal oils, matches and the refining of petroleum—i.e., major group 31 and group 321 of the *International Standard Industrial Classification of all Economic Activities*.

^a Provisional.

^b Including rubber.

^c Excluding the refining of petroleum.

^d Including tobacco.

^e Wage-earners only.

^f Great Britain only; including coke ovens and by-products.

Table XIII

INDEX NUMBERS OF EMPLOYMENT IN THE TEXTILE INDUSTRY

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
	Average			Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept. <i>a</i>
Belgium	104	92	89 ^a	89	93	91 ^a	89 ^a	91 ^a	90 ^a	89	87	90
Denmark ^{b c}	88	80 ^a	81 ^a	86	89	88 ^a	85 ^a	88 ^a	81 ^a	79 ^a	77	78
France	101	96	93	94	94	93	92	92	93	92	91	91
Western Germany	110	110	113	110	113	111	113	116	115	114	116	118
Italy ^b	101	97	93	96	96	95	91	93	93	93	90	90
Netherlands	100	94	99	94	97	99	98	100	102	102	100	101
Sweden ^b	99	85	89	82	87	89	88	89	90	87	82	82
Switzerland ^b	108	102	104	99	102	103	103	105	107	107	106	106
United Kingdom ^d	101	92	95	90	93	95	95	97	98	99	98	98

Sources and methods: See Appendix B.

NOTE. — The index numbers cover workers employed in the textile industry, including the making of synthetic fibres and yarns, but excluding clothing—i.e., major group 23 of the *International Standard Industrial Classification of all Economic Activities*.

^a Provisional.

^b Wage-earners only.

^c Based on man-hours worked.

^d Great Britain only.

Table XIV

INDEX NUMBERS OF EMPLOYMENT IN THE FOOD, BEVERAGES AND TOBACCO INDUSTRIES

Country	1950 = 100											
	1951	1952	1953	1952		1953				1954		
	Average			Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept. <i>a</i>
Austria	101	100	103	99	107	95	101	103	116	97	100	103
Belgium	99	97	98	101	98	94	97	102	98	93	95	101
Denmark <i>b c</i>	96	94	91	98	90	93	97	96	90	90	102	93
France	104	105	107	108	104	104	108	112	105	104	111	112
Western Germany	105	111	115	115	113	111	115	120	119	116	120	124
Italy <i>c</i>	101	102	102	145	89	85	92	154	91	87	96	163
Netherlands	101	101	101	105	100	98	101	105	101	99	103	..
Sweden <i>c</i>	98	96	92	98	95	92	97	96	94	91	97	95
Switzerland <i>c</i>	101	104	104	107	104	100	102	109	105	105	105	112
United Kingdom <i>d</i>	103	104	106	105	104	103	106	108	106	105	108	111

Sources and methods: See Appendix B.

NOTE. — The index numbers cover workers employed in the production of food-manufacturing, beverage and tobacco industries—i.e., major groups 20, 21 and 22 of the *International Standard Industrial Classification of all Economic Activities*.

^a Provisional.

^b Index numbers based on man-hours worked.

^c Wage-earners only.

^d Great Britain only.

Table XV

HARD COAL—PRODUCTION, TRADE ^a AND APPARENT CONSUMPTION ^b

Millions of tons

Country	1950	1951	1952	1953	1954			Country	1950	1951	1952	1953	1954			1953	1954
					1st quarter	2nd quarter	3rd quarter						3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter
Belgium and Luxembourg																	
Production	27.3	29.7	30.4	30.1	7.7	7.2	6.8	United Kingdom	219.8	226.5	230.1	227.8	51.7	60.8	59.3	57.3	51.8
Imports	3.3	5.6	5.1	5.5	1.6	1.8	2.0	Production	—	1.2	0.3	0.6	0.3	0.3	0.2	0.3	1.1
Exports	3.0	2.4	3.6	5.2	1.3	1.4	1.7	Imports	20.0	12.6	16.8	18.3	4.3	5.1	4.4	4.5	4.4
Apparent consumption .	27.6	32.9	31.9	30.4	8.0	7.6	7.1	Exports ^b	199.8	215.1	213.6	210.1	47.7	56.0	55.1	53.1	48.5
								Apparent consumption ^f									
France and Saar								Spain									
Production: France . . .	50.8	53.0	55.4	52.6	11.1	14.1	13.0	Production	11.0	11.3	12.0	12.2	3.1	3.2	2.9	3.2	3.2
Saar	15.1	16.3	16.2	16.4	4.1	4.2	4.3	Imports	0.7	0.4	1.0	1.2*	0.2	0.4*	0.2	..	..
Imports	9.4	14.0	14.6	10.8	2.5	2.5	2.7	Exports	0.1	0.1	0.1	0.1	—	—	—	—	—
Exports	6.7	6.1	5.8	7.4	1.8	1.9	1.6	Apparent consumption .	11.6	11.6	12.9	13.3	3.3	3.6*	3.1	..	..
Apparent consumption .	68.6	77.2	80.4	72.4	15.9	18.9	18.3	Other western European countries ^g									
								Production	5.0	5.0	5.1	5.6	1.4	1.5	1.4	1.4	1.4
Western Germany								Imports	27.7	29.5	29.2	24.2	6.3	6.8	5.4	5.2	7.0
Production	110.8	118.9	123.3	124.5	31.4	31.9	32.6	Exports	0.1	0.1	0.1	0.1	—	—	—	—	—
Imports	4.3	9.8	12.2	9.7	2.3	2.5	2.1	Apparent consumption .	32.6	34.4	32.2	29.7	7.7	8.3	6.8	6.6	8.4
Exports ^d	23.8	23.6	23.0	23.0	6.0	5.8	7.4	Total western Europe									
Apparent consumption .	91.3	105.1	112.5	111.2	27.7	28.6	27.3	Production	453.0	474.3	486.1	482.6	113.2	126.7	125.8	118.9	116.6
								Poland									
Italy								Production	78.0	82.0	84.4	88.7	22.4	22.5	22.1	22.0	23.4
Production	1.0	1.2	1.1	1.1	0.3	0.3	0.3	Exports to west. Europe	10.3	9.9	7.1	6.7	1.8	2.1	1.6	1.4	1.4
Imports	8.8	11.0	9.0	9.1	2.3	2.3	2.2	Czechoslovakia									
Apparent consumption .	9.8	12.2	10.1	10.2	2.6	2.6	2.5	Production	18.5	18.4	20.3	20.3	..	..	..	..	..
								Exports to west. Europe	0.8	0.4	0.3	0.2	0.1	0.1	—	—	—
Netherlands								Other eastern European countries ^h									
Production	12.2	12.4	12.5	12.3	3.1	3.0	3.1	Production	4.9*	5.6*	5.6*	6.0	..	..	..	..	..
Imports	5.0	5.6	5.6	5.8	1.4	1.8	1.9	U.S.S.R.									
Exports	1.2	1.2	1.4	1.6	0.4	0.5	0.8	Production ⁱ	260.0	281.0	300.7	320.0	..	..	..	..	..
Apparent consumption .	16.0	16.8	16.7	16.5	4.1	4.3	4.2										
European Coal and Steel Community																	
Production	217.2	231.5	238.9	237.0	57.0	61.2	60.1										
Imports from members ^e .	23.5	22.9	24.3	27.0	7.1	6.9	7.9										
Imports from non-members	7.3	23.2	22.3	13.8	3.0	3.8	3.3										
Exports to non-members	11.2	10.4	9.6	10.2	2.9	2.8	3.9										
Apparent consumption .	213.3	244.3	251.6	240.6	57.1	62.2	59.5										

^a Including trade in patent fuel and coke.^b Including bunkers.^c Provisional.^d Including 0.1 and 0.4 million tons delivered to eastern Germany in 1950 and 1951 respectively.^e For statistical reasons, exports to members are slightly different.^f Excluding bunkers.^g Including: Austria, Denmark, Finland, Greece, Ireland, Norway, Portugal, Sweden, Switzerland, Turkey and Yugoslavia. Production of Norwegian mines in Spitzbergen is shown as Norwegian imports.^h Including: Bulgaria, eastern Germany, Hungary and Rumania.ⁱ Including lignite production: 1951 production was of the order of 60 million tons.

Table XVI
PRODUCTION OF ELECTRIC POWER

Billions of kilowatt-hours

Country	1950		1951		1952		1953		1953			1954		
	Total	of which: Hydro	Total	of which: Hydro	Total	of which: Hydro	Total	of which: Hydro	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter ^a
Austria	6.4	5.0	7.4	5.7	8.0	6.4	8.8	6.5	2.3	2.4	2.2	2.0	2.5	2.8
Belgium	8.5	0.1	9.5	0.1	9.5	0.1	9.8	0.1	2.3	2.3	2.8	2.7	2.5	2.5
Luxembourg	0.7	—	0.8	—	0.8	—	0.9	—	0.2	0.2	0.2	0.2	0.2	..
Denmark ^b	1.9 ^a	—	2.2 ^a	—	2.4 ^a	—	2.4 ^a	—	0.5	0.5 ^a	0.7 ^a	0.8	0.6	0.5
Finland	4.2	3.7	4.6	3.9	4.8	4.3	5.4 ^a	5.0	1.2	1.3	1.5	1.5	1.2	1.3
France	33.6	16.2	38.3	21.2	40.8	22.4	41.3	21.0	9.5	8.8	10.6	10.8	10.4	10.3
Saar	1.6	—	1.8	—	1.8	—	1.7 ^a	—	0.4	0.4	0.4	0.4	0.4	..
Western Germany ^c . .	42.2	8.5	49.2	9.2	53.7	10.1	57.8 ^a	9.2	13.7	14.8	17.0	16.8	15.5	16.5
Greece ^b	0.7	—	0.7	—	0.8	—	0.9	—	0.2	0.2	0.3	0.3	0.2	0.3
Ireland ^b	0.9	0.4	1.0	0.4	1.2 ^a	0.4	1.3 ^a	0.5 ^a	0.3	0.3	0.4	0.4	0.3	0.3
Italy	24.7	21.6	29.2	26.3	30.8	27.1	32.6	27.8	7.8	8.1	8.4	8.6	8.6	..
Netherlands	7.0	—	7.5	—	8.1	—	9.1	—	2.0	2.1	2.7	2.7	2.3	2.3
Norway	17.8	17.7	17.8	17.7	18.9	18.8	19.6	19.5	4.5	4.5	5.4	5.7	5.0	..
Portugal	0.9	0.4	1.0	0.8	1.3	1.2	1.4	1.0	0.3	0.3	0.4	0.4	0.4	0.4
Spain	6.9	5.1	8.3	6.9	9.4 ^a	7.8 ^a	9.7 ^a	7.5	2.3	2.2	2.2	2.3	2.1	..
Sweden	18.4	17.5	19.3	18.2	20.5	19.5	22.4 ^a	21.2	5.4	5.1	6.4	6.2	5.3	5.6
Switzerland ^d	10.5	10.3	12.2	12.2	12.9	12.8	13.5	13.4	3.0	3.2	2.5	2.2	2.9	3.3
Turkey	0.8	—	0.9	0.1	1.0	0.1	1.2	0.1	0.2	0.3	0.3	0.3	0.3	0.3
United Kingdom ^b . .	55.4	1.5	60.4	1.5	62.8	1.7	66.0	1.8	14.8	13.9	18.5	20.4	16.3	15.6
Yugoslavia	2.4	1.2	2.6	1.4	2.7	1.4	3.0	1.5	0.7	0.7	0.8	0.8	0.9	0.8
Western Europe . .	245.5^a	109.2	274.7^a	125.6	292.2^a	134.1^a	308.8^a	136.1^a	71.6	71.6^a	83.7^a	85.5	77.9	..
Bulgaria	0.7	..	1.0	..	1.3	..	1.5	..	..	..	..	..	..	..
Czechoslovakia	9.3	..	10.4	..	11.7	..	12.4	..	..	..	..	..	..	..
Eastern Germany . . .	18.9	..	20.7	..	22.4	..	23.7	..	..	..	..	..	..	..
Hungary	2.9	..	3.5	..	4.2	..	4.6	..	..	..	..	..	..	..
Poland	8.9	..	10.6	..	12.0	..	13.6	..	..	..	..	..	..	..
Rumania	2.2	..	2.6	..	3.0	..	3.5	..	..	..	..	..	..	..
Eastern Europe . .	42.9	..	48.8	..	54.6	..	59.3	..	..	..	..	..	..	..
U.S.S.R.	90.3	..	103.0	..	116.4	..	133.0	..	..	..	..	..	..	..

NOTE. — Yearly figures are of total production of electricity and include, therefore: production of all public utilities, production supplied to the public grid by industrial plants, and production of industrial plants which is consumed *in situ*. Figures for quarters, however, are in some cases less complete. For detailed definitions, see *Economic Bulletin for Europe*, Vol. 5, No. 1.

^a Provisional.

^b Public utilities only. United Kingdom figures exclude Northern Ireland.

^c Quarterly figures are of gross production (including consumption by power plants).

^d Annual figures refer to the year ending 30 September of the year indicated.

FINISHED STEEL—PRODUCTION, TRADE AND APPARENT CONSUMPTION (*Thousands of tons*)

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Country	1952	1953	1953		Country	1952	1953	1953		Country	1952	1953	1954	
			Third quarter	Fourth quarter				First quarter	Second quarter				Third quarter ^a	Fourth quarter
Belgium and Luxembourg Production: Belgium . . . Luxembourg . . . Imports Exports Apparent consumption . .	4 126 2 490 94 4 719 1 991	3 598 2 118 213 4 214 1 715	811 500 68 1 021 358	918 497 71 1 018 468	Production Imports Exports Apparent consumption . .	583 44 6 621	559 66 — 625	131 17 — 148	150 29 — 179	Spain	162 29 — 191	159 30* — 189*	160 30* — 190*	
					Sweden									
					Production Imports Exports Apparent consumption . .	1 148 804 169 1 783	1 214 582 186 1 610	261 154 40 375	362 158 56 464		316 160 42 434	304 172 35 441	295 183 47 431	
					United Kingdom									
Western Germany Production Imports Exports Apparent consumption . .	12 143 873 1 769 11 247	11 437 1 201 1 848 10 790	2 767 209 551 2 425	2 743 280 599 2 424	Production Imports Exports Apparent consumption . .	13 557 1 554 1 937 13 174	14 106 932 2 070 12 968	3 167 235 505 2 897	3 700 172 554 3 318		3 827 174 520 3 481	3 768 54 558 3 264	3 333 74 547 2 860	
					Yugoslavia									
					Production Imports Apparent consumption . .	336 105 441	375 106 481	91 23 114	104 29 133		95 23 118	143 32 175	128 45 173	
					Other western European countries ^c									
Netherlands Production Imports Exports Apparent consumption . .	464 1 038 152 1 350	710 1 238 279 1 669	183 318 77 424	193 330 98 425	Production Imports Exports Apparent consumption . .	685 2 075 50 2 710	662 1 915 47 2 530	164 516 12 668	184 564 11 737		181 469 13 637	184 552 12 724	170 583 6 747	
					Total western Europe									
					Production Net exports Apparent consumption . .	49 572* 4 338* 45 234*	47 902* 5 444* 42 458*	11 026* 1 348* 9 678*	12 228* 1 446* 10 782*		12 359* 1 352* 11 007*	12 718 1 498 11 220	13 041 1 446 11 595	
					Production									
European Coal and Steel Community Imports from members ^b . . Imports from non-members ^b . . Exports to non-members ^b . . Apparent consumption . .	32 420* 2 083* 509* 7 222* 25 707*	30 114* 2 688* 779* 7 197* 23 696*	6 983* 604* 180* 1 814* 5 349*	7 489* 754* 186* 1 854* 5 821*	Czechoslovakia Eastern Germany Hungary Poland Rumania	2 600* 1 308 1 050* 2 193 512	3 000* 1 491 1 125* 2 522 530*							
					Total eastern Europe . . .	7 663*	8 668*	..	..		..	..	..	
					U.S.S.R.	26 800	29 500	..	..		..	..	..	

^a Provisional.

^b Partly estimated. See *Economic Bulletin for Europe*, Vol. 6, No. 1.

^c Denmark, Finland, Ireland, Norway, Portugal, Switzerland and Turkey.

Table XVIII. — CONSTRUCTION OF DWELLINGS AND INDICATORS OF TOTAL BUILDING ACTIVITY

Thousands of dwellings or index numbers

		1950		1951		1952		1953		1954	
						Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
<i>Belgium :</i>	Dwellings authorized	65	51	48	48	11.3	8.1	9.8	14.9	12.6	10.4
	Dwellings completed	47*	37*	37*	46*	101	96	87	105	106	104
	Construction, index 1950 = 100	100	98	98	100	101	100	87	105	106	104
<i>Denmark :</i>	Dwellings begun	22	17	23	24	6.9	3.0	3.9	5.8	5.3	5.2
	Dwellings under construction <i>b</i>	22	18	22	24	22	21	21	22	23	23
	Dwellings completed	20	22	19	21	4.3	4.8	3.2	4.8	4.4	5.8
	Construction, index 1950 = 100	100	100	101	111	..	..	..	..	..	..
<i>Finland :</i>	Dwellings authorized	..	..	..	..	3.0	3.2	2.7	4.8	3.4	4.9
	Dwellings completed	26	29	31	29	2.9	4.1	2.5	2.2	2.8	3.5
	Construction, index 1950 = 100	100	102*	101*	114*	108*	123*	83*	115*	135*	124*
<i>France :</i>	Dwellings begun	109	152	135	..	33	30	33	45	54	..
	Dwellings under construction <i>b c</i>	148	223	274	351	268	274	284	304	331	351
	Dwellings completed	71	77	84	115	20	23	23	25	27	41*
	Construction, index 1950 = 100	100	107	112	110	111	111	98	116	108	117
<i>Western Germany :</i>	Dwellings authorized	551	470	495	570	137	127	92	155	167	156
	Dwellings completed	291	373	413	484	78	183	34	63	96	238
	Construction, index 1950 = 100	100	117	131	160	164	144	108	172	191	171
<i>Italy :</i>	Dwellings authorized	165	189	208	283	33*	31*	35*	43	41	54
	Dwellings completed <i>d</i>	..	159*	161*	182*	17	21	19	20	21	28
<i>Netherlands :</i>	Dwellings begun	61	43	69	77	19	14	18	19	19	21
	Dwellings under construction <i>b</i>	53	37	51	68	53	51	60	65	67	68
	Dwellings completed	55*	65*	57*	63*	15	16	8	15	17	20
<i>Norway :</i>	Dwellings under construction <i>b</i>	14	25	27	30	30	27	24	29	33	30
	Dwellings completed	22	21	33	35	6.2	11.2	7.0	7.8	7.8	12.4
	Construction, index 1950 = 100	100	97	103	114	117	99	99	118	129	112
<i>Spain :</i>	Dwellings authorized	..	..	..	..	6.8	6.8	6.5	8.5	7.2	7.5
	Dwellings completed	..	..	..	..	4.5	5.8	4.5	5.3	4.9	6.0
<i>Sweden :</i>	Dwellings begun	..	..	..	..	7.5	10.7	7.2	7.8	9.3	11.0
	Dwellings under construction <i>b</i>	..	..	..	..	30	32	32	34	38	37
	Dwellings completed	45	41	46	53*	5.8	9.3	7.2	6.1	5.3	11.2
	Construction, index 1950 = 100	100	104	106	106	110	101	100	110	110	105
<i>Switzerland :</i>	Dwellings authorized	27	26	25	33	3.4	4.0	4.1	5.3	4.8	5.2
	Dwellings under construction <i>b</i>	14	15	14	20	..	14	..	18	..	20
	Dwellings completed	25*	29*	28*	29*	3.9	3.5	3.0	3.2	3.8	4.5
	Construction, index 1950 = 100	100	114	110	113	127	103	93	119	130	108
<i>United Kingdom <i>e</i> :</i>	Dwellings begun	204	219	294	348	84	73	83	96	88	80
	Dwellings under construction <i>b</i>	201	226	280	309	276	280	294	314	322	309
	Dwellings completed	207*	202*	246*	322*	60	69	69	76	81	93
	Construction, index 1950 = 100	100	96	98	104	100	99	101	103	107	107

Sources : See Appendix B.

NOTE : Published data on dwellings refer to new and reconstructed units and those units made available by alteration or conversion, for Denmark, Finland, France, western Germany, Italy, Norway and Spain, whereas for the remaining countries (Belgium, Netherlands, Sweden, Switzerland and the United Kingdom) they relate to new and reconstructed units only. For comparison, alterations and conversions have been added to the annual figures for completions in this latter group of countries. The effect of this adjustment is small since these additional dwelling-units represented only 1 to 5 per cent of the new and reconstructed dwellings in 1952 and 1953. Temporary dwellings and repairs are normally excluded. The data cover units located in both residential and non-residential buildings.

The construction index numbers cover both building and public works, except for Belgium and Denmark, where they refer to building only. Quarterly figures do not always refer to the whole country, but the annual data, whenever given, are for the whole country.

a Provisional.*b* End of period.*c* According to a statement made by the Minister for Reconstruction and Housing, the figures seem to be overestimated by about 25 per cent.*d* Revised data supplied by the Italian Central Statistical Office.*e* Absolute figures for dwellings exclude Northern Ireland.

Table XIX. — MOTOR VEHICLES—PRODUCTION, TRADE AND AVAILABLE SUPPLIES

Thousands

Country		1950	1951	1952	1953	1953			1954		
						Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter ^a
<i>Passenger cars</i>											
France:	Production	257	314	370	368	96.1	83.3	96.9	103.7	116.3	97.6
	Imports	4	11	8	6	1.8	1.5	1.8	1.3	1.9	2.8
	Exports	89	93	83	81	23.4	19.0	19.6	24.5	32.0	21.7
	Available supplies . . .	172	232	295	293	74.5	65.8	79.1	80.5	86.2	78.7
Western Germany:	Production	216	267	301	369	94.9	97.8	102.9	116.9	126.3	128.0
	Imports	4	5	5	5	1.6	1.8	0.6	0.7	1.3	1.1
	Exports	67	92	100	141	37.3	35.5	41.5	47.9	54.6	60.5
	Available supplies . . .	153	181	205	233	59.2	64.1	62.0	69.7	73.0	68.6
Italy:	Production	100	118	114	143	34.8	34.8	42.8	43.2	44.4	48.1
	Imports	—	1	1	2	0.4	0.6	0.4	0.4	0.4	0.6
	Exports	18	23	19	27	7.7	6.7	6.5	7.5	9.1	10.7
	Available supplies . . .	82	97	96	118	27.5	28.7	36.7	36.1	35.7	38.0
United Kingdom:	Production	522	476	448	595	152.3	146.2	167.1	183.2	196.3	169.9
	Imports	—	2	2	1	—	0.6	0.7	1.1	1.4	1.0
	Exports	398	369	310	302	86.4	77.2	71.5	84.3	103.6	94.4
	Available supplies . . .	124	110	140	294	65.9	69.6	96.3	100.0	94.1	76.5
<i>Commercial vehicles</i>											
France:	Production	100	133	130	129	30.9	27.3	39.9	41.2	41.0	36.2
	Imports	1	2	1	1	0.2	0.1	0.2	0.1	0.1	0.1
	Exports	29	32	24	23	5.6	5.2	6.7	8.4	8.5	5.9
	Available supplies . . .	72	103	107	107	25.5	22.2	33.4	32.9	32.6	30.4
Western Germany:	Production	89	106	127	121	26.4	31.3	35.5	39.0	39.4	38.4
	Imports	..	5	—	1	0.1	0.3	0.1	0.1	0.2	0.2
	Exports	..	34	36	38	8.7	8.1	12.2	13.4	13.7	14.2
	Available supplies . . .	..	77	91	84	17.8	23.5	23.4	25.7	25.9	24.4
Italy:	Production	29	30	25	32	8.2	7.0	8.3	8.3	8.4	9.2
	Imports	1	3	5	11	3.3	2.6	3.6	1.8	2.4	2.1
	Exports	3	5	4	5	0.9	1.1	0.8	0.7	0.9	0.9
	Available supplies . . .	27	28	25	38	10.6	8.5	11.1	9.4	9.9	10.4
United Kingdom:	Production	261	258	242	239	58.1	54.4	66.1	64.6	63.1	58.9
	Imports	4	4	2	3	0.4	0.7	1.2	1.3	2.4	2.7
	Exports	144	137	128	110	25.6	27.6	31.0	32.6	33.0	30.1
	Available supplies . . .	121	125	116	132	32.9	27.5	36.3	33.3	32.5	31.5
<i>Motor cycles and motor scooters</i>											
France:	Production	120	185	232	265	78.4	63.2	65.1	70.1	100.0	72.4
	Imports	8	15	9	8	2.1	2.2	2.0	1.5	2.3	3.0
	Exports	6	8	14	13	3.6	2.7	2.8	2.7	4.0	3.4
	Available supplies . . .	122	192	227	259	76.9	62.7	64.3	68.9	98.3	72.0
Western Germany:	Production	258	325*	427	429	134.0	105.8	75.9	102.8*	125.0	86.3
	Imports	5	5*	6*	5	2.3	1.0	0.6	1.3	2.5	0.4
	Exports	16	27*	43*	59	16.3	14.8	15.7	19.7	28.5	16.8
	Available supplies . . .	247	303*	390*	376	120.0	92.0	60.8	84.4*	99.0	69.9
Italy:	Production	..	285	318*	369*	104.1*	97.6*	83.2*	98.1*	107.9	97.0
	Imports	—	1	1	1	0.2	0.1	0.1	0.2	0.3	0.1
	Exports	15	31	43	53	19.6	10.5	6.1	12.3	19.3	9.8
	Available supplies . . .	..	255	276*	317*	84.7*	87.2*	77.2*	86.0*	88.9	87.3
United Kingdom:	Production	171	172	158	154	42.4	34.4	42.4	46.5	50.0	39.0
	Imports	—	—	—	—	—	—	—	—	—	—
	Exports	74	92	70	63	17.9	15.0	13.7	20.3	21.1	15.6
	Available supplies . . .	97	80	88	91	24.5	19.4	28.7	26.2	28.9	23.4

Sources and methods: See Appendix B.

NOTE. — *Passenger cars and commercial vehicles*: In general, chassis as well as complete vehicles are included in production, imports and exports. For France and western Germany no distinction is made in trade statistics between chassis for passenger cars and for commercial vehicles, and it is assumed that all chassis imported or exported are for commercial vehicles. For Italy, trade figures exclude chassis.

Motor cycles: As far as possible, bicycles with auxiliary engines have been excluded from both production and trade, except in the case of the United Kingdom, where all capacities are included. However, owing to lack of sufficient data, the coverage is not exactly comparable between countries. For more detailed information, see *Economic Bulletin for Europe*, Vol. 6, No. 1.

^a Provisional.

Table XX
INDEX NUMBERS OF THE COST OF LIVING

Country	1938 = 100	1950 = 100											
	1950	1949	1951	1952	1953	1952	1953				1954		
						Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.
Austria	465	88	128	150	141	150	145	139	140	143	147	145	144
Belgium	339	101	109	111	112	112	110	111	113	112	114	115	115
Denmark ^a	185	92	112	114	114	114	113	114	114	114	115	116	117
Finland	945	87	120	125	127	126	127	127	128	126	128	128	129
France	1 890	90	117	131	129	131	131	131	127	128	129	129	128
Western Germany	156	106	108	110	108	110	109	108	107	107	108	108	109
Greece	30 612	93	113	118	129	117	119	129	138	142	146	149	150
Iceland	511 ^b	84	126	142	141	146	141	140	143	142	142	143	143
Ireland ^c	187	99	108	118	124	122	122	125	124	124	123	123	125
Italy	4 849	101	110	114	117	116	116	118	116	117	117	121	121
Luxembourg	324	96	108	110	110	110	109	109	110	110	110	111	112
Netherlands ^d	239 ^e	92	112	111	110	111	110	111	111	110	114	118	116
Norway	167	95	116	126	129	128	127	128	129	130	132	134	137
Portugal	213 ^e	101	99	98	99	101	100	99	100	100	102	97	97
Spain	529 ^f	90	109	107	109	107	110	109	109	109	110	111	110
Sweden ^g	158	99	116	125	127	127	127	127	127	127	128	129	128
Switzerland	159	102	105	107	107	107	106	107	107	107	106	107	108
Turkey	361	105	98	104	108	105	105	108	109	110	114*	122*	115
United Kingdom	191	97	110	119	123	121	123	124	123	123	124	125	125

NOTE.—The index numbers for Denmark, Iceland and Luxembourg relate to the beginning of the month; no day is indicated for Spain; for Greece and Turkey, the index numbers are averages for the month; for other countries they relate to the middle of month, though for Finland, France and Italy some or all of the component groups of the index—in particular, food—are derived from averages of price observations made more than once during the month. Indices for Austria, France, Greece, Iceland and Portugal refer to the capital cities of those countries and those for Turkey to Istanbul. Annual data are the averages of monthly or three-monthly indices. Where necessary, the series have been adjusted to exclude direct taxes and social insurance contributions.

^a Monthly indices refer to the month following that shown—i.e., to January, April, July and October.

^b First quarter 1939 = 100.

^c Monthly indices refer to the month preceding that shown—i.e., to February, May, August and November.

^d New series. For details, see "Notes to the Statistics", Vol. 6, No. 2.

^e 1938/39 = 100.

^f July 1936 = 100.

^g New series.

Table XXI
VOLUME OF CONSUMPTION
1949 = 100

		1952			1953				1954		
		Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter
<i>Austria :</i>	Food and tobacco	105	107	128	104	120	124	147	112	126	137
	Clothing	88	71	125	71	96	79	148	75	105	80
	Total retail sales	92	90	126	85	94	97	138	92	106	106
<i>Belgium :</i>	Food (co-operatives)	128	129	141	140	132	138	149	153	149	155
	Textiles	102	90	105	81	97	85	100	77	99	85
<i>Denmark :</i>	Food, drink and tobacco	89	88	100	89	94	94	105	91	97	96
	Clothing and shoes	99	92	131	95	104	92	128	91	109	96
	Total retail sales	91	90	110	89	96	95	114	90	100	100
<i>Finland :</i>	Co-operative retail sales	123	121	132	97	125	126	136	101	128	129
<i>Western Germany :</i>	Food, drink and tobacco	124	124	140	123	134	135	155	132	144	144
	Clothing and shoes	143	148	217	134	158	153	238	142	171	151
	Household goods	143	158	204	148	164	191	255	166	190	206
	Total consumption	128	132	152	131	140	145	167	142	152	155
<i>Netherlands :</i>	Food	103	103	107	102	106	106	112	106	111	112
	Drink and tobacco	93	92	107	86	94	95	112	87	98	98
	Durable consumers' goods	91	87	95	77	96	92	102	81	106	99
	Total consumption	99	100	101	93	102	104	107	96	107	109
<i>Norway :</i>	Food	105 ^a	109 ^a	111 ^a	103 ^a	104 ^a	107 ^a	113 ^a	100 ^a	106 ^a	107
	Drink and tobacco	105 ^a	102 ^a	106	83 ^a	101 ^a	100	109 ^a	83 ^a	105 ^a	105
	Clothing and shoes	113 ^a	100 ^a	136 ^a	90 ^a	120 ^a	100 ^a	140 ^a	87 ^a	127 ^a	101
	Travel and transportation	142 ^a	158 ^a	96 ^a	99 ^a	146 ^a	162 ^a	106 ^a	99 ^a	156 ^a	173
	Total consumption	107 ^a	108 ^a	118 ^a	103 ^a	110 ^a	110 ^a	121 ^a	103 ^a	114 ^a	113
<i>Sweden^a :</i>	Food	94	93	98 ^a	94 ^a	93	95	103	92	98	97
	Clothing and shoes	99	81	116	78 ^a	101	78 ^a	116	74 ^a	101 ^a	77
	Total retail sales	94	91 ^a	106 ^a	87 ^a	94	91	110 ^a	86 ^a	98 ^a	94
<i>Switzerland :</i>	Food, drink and tobacco	107	105	118	102	108	108	121	104	113	111
	Textiles and shoes	100	95	136	97	104	99	144	99	112	104
	Total retail sales	104	102	127	100	105	105	131	103	111	108
<i>United Kingdom :</i>	Food	97	102	106	102	102	106	111	104	107 ^a	108
	Drink and tobacco	100	109	110	95	104	111	114	93 ^a	104 ^a	112
	Clothing and shoes	92	85	107	81	94	86	107	83	101	90
	Household goods	90	95	117	102	107	109	129	106 ^a	111	123
	Travel and entertainment	97	116	90	87	99	116	92	86	98	116
	Total consumption	97	101	106	96	102	105	111	99	105 ^a	108

NOTE. — Total consumption includes, besides retail sales, personal expenditure on rent and other services and direct consumption on farms, etc. Index numbers of retail sales may cover only certain types of shop and may not be representative of retail sales as a whole.

^a Revised series. See Appendix B.

Table XXII

INDEX NUMBERS OF WHOLESALE PRICES IN SELECTED WESTERN EUROPEAN COUNTRIES
BY SECTORS

June 1950 = 100

	1951	1952				1953				1954		
	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.
<i>Energy</i>												
Belgium	115	117	116	115	115	115	112	112	111	111	111	111
France	134	140	137	134	134	134	131	133	133	133	133	133
Western Germany . . .	119	120	137	140	139	148	148	149	149	149	147	148
Netherlands	134	137	136	138	141	141	140	141	140	139	139	141
<i>Metal-making</i>												
Belgium	164	162	150	149	140	134	130	131	130	126	127	128
France	161	161	153	152	150	152	154	153	153	146	142	144
Western Germany . . .	153	150	163	170	170	167	161	155	155	154	155	156
Italy	156	166	157	155	146	132	124	124	125	119	115	118
Netherlands	185	178	176	170	161	152	141	135	129	133	137	139
Sweden	165	171	170	167	158	150	145	142	139	132	133	138
<i>Chemicals</i>												
Belgium	132	127	122	116	113	112	107	107	110	106	103	103
Denmark	118	116	114	110	108	106	105	101	99	98	99	96
Finland	147	152	148	145	143	139	133	127	123	122	122	119
France	136	137	131	127	128	130	126	127	126	125	122	123
Western Germany . . .	119	117	112	110	109	109	107	107	107	107	106	106
Ireland	130	134	136	130	126	124	119	121	121	121	119	..
Italy	113	113	110	108	107	104	102	99	99	98	99	96
Netherlands	132	131	121	118	115	116	113	112	112	114	113	114
Norway	122	127	121	121	113	111	111	108	104	104	105	104
Sweden	146	144	138	132	124	117	113	110	105	105	106	104
<i>Textiles</i>												
Belgium	125	114	106	105	106	105	106	104	104	103	104	102
Finland	152	142	134	134	135	134	135	138	137	138	137	136
France	133	123	117	114	111	111	114	113	113	110	111	110
Western Germany . . .	124	113	101	100	98	96	96	95	95	95	95	94
Italy	127	119	113	112	109	109	109	104	104	103	103	102
Sweden	142	135	127	124	124	123	125	125	125	124	125	125
<i>Food and beverages</i>												
Belgium	135	129	120	125	125	116	118	123	120	119	119	117
Denmark	120	118	121	121	123	123	122	116	116	121	123	120
France	138	134	132	136	133	130	128	124	128	128	125	124
Western Germany . . .	116	115	112	114	115	112	111	110	111	111	111	112
Italy	108	106	102	108	111	112	112	112	112	115	112	113

NOTE. — An attempt has been made to cover the same sectors (except for food and beverages) as in the tables of index numbers of industrial production. However, owing to lack of sufficient data, the price indices are not

always comparable between countries; nor, for individual countries, with the production indices.

Table XXIII

VOLUME INDEX OF EXPORTS FROM WESTERN EUROPE AND THE UNITED STATES
TO PRIMARY PRODUCING AREAS ^a

1950 = 100

Period	Exports from western Europe to					Exports from the United States to					Exports from western Europe and the United States to				
	Latin American non-dollar countries	Over-seas sterling area	Other affiliated countries	Other overseas countries ^a	Total of areas listed	Latin American non-dollar countries	Over-seas sterling area	Other affiliated countries	Other overseas countries ^a	Total of areas listed	Latin American non-dollar countries	Over-seas sterling area	Other affiliated countries	Other overseas countries ^a	Total of areas listed
1950—First half . . .	91	91	94	91	92	85	107	101	101	99	88	94	96	96	94
Second half . . .	109	109	106	109	108	115	93	99	99	101	112	106	104	104	106
1951—First half . . .	112	111	109	120	112	153	126	100	126	130	128	113	108	123	117
Second half . . .	130	124	117	106	121	190	181	121	127	156	154	134	117	117	131
1952—First half . . .	110	115	128	111	117	161	177	146	134	153	130	126	130	123	127
Second half . . .	80	97	122	111	103	107	103	111	118	111	91	98	121	115	105
1953—First half . . .	66	106	121	119	106	82	104	118	127	109	72	106	121	123	107
Second half . . .	93	121	118	133	118	90	108	111	137	112	92	119	117	135	117
1954—First half . . .	94	128	132	134	125	95	110	120	145	122	94	125	131	139	124
Third quarter . . .	96	132	118	129	123	120	111	111	115	115	105	128	117	122	121

Sources : See Appendix B.

^a Excluding the United States, Canada, Latin American dollar countries and eastern Europe.

Table XXIV. — BALANCE OF PAYMENTS OF EUROPE AND OTHER AREAS WITH THE UNITED STATES

Millions of current dollars

Item	Year and quarters	Europe			Overseas sterling area	Canada	Latin American Republics	All other countries	Inter-national institutions	TOTAL WORLD
		United Kingdom	Other European countries	Total Europe						
A. Goods and services (total)	1952 I-III	+ 86	- 704	- 618	+ 70	- 691	- 514	- 173	- 16	- 2 062
	1953 I-III	+ 231	+ 301	+ 532	+ 85	- 752	+ 107	- 152	- 10	- 72
	1954 I-III	+ 232	+ 54	+ 286	+ 128	- 568	- 241	- 379	- 30	- 824
	1952 I-III	+ 522	+ 980	+ 1 502	+ 272	+ 1 700	+ 2 643	+ 914	+ 6	+ 8 033
	1953 I-III	+ 416	+ 1 325	+ 1 741	+ 252	+ 1 814	+ 2 785	+ 882	—	+ 8 358
	1954 I-III	+ 368	+ 1 112	+ 1 480	+ 310	+ 1 715	+ 2 650	+ 792	—	+ 7 721
	1952 I-III	- 519	- 2 118	- 2 637	- 263	- 2 200	- 2 670	- 1 426	4	- 10 130
	1953 I-III	- 456	- 1 717	- 2 173	- 223	- 2 493	- 2 223	- 1 421	5	- 9 174
	1954 I-III	- 443	- 1 935	- 2 378	- 222	- 2 196	- 2 427	- 1 407	16	- 9 298
	1952 I-III	4	48	44	12	264	511	316	18	1 309
B. Private donations and movements of private United States capital (total)	1953 I-III	+ 126	+ 31	+ 157	- 10	- 181	- 478	- 344	5	1 073
	1954 I-III	+ 74	+ 50	+ 124	- 14	- 229	- 482	- 337	14	1 148
	1952 I-III	+ 87	+ 386	+ 473	+ 73	73	24	655	—	1 344
	1953 I-III	+ 145	+ 662	+ 807	+ 51	+ 139	23	731	—	1 817
	1954 I-III	+ 233	+ 827	+ 1 060	+ 54	+ 142	18	573	—	1 901
	1952 I-III	+ 47	+ 191	+ 238	+ 6	+ 302	+ 392	+ 82	+ 58	+ 1 128
	1953 I-III	+ 8	+ 22	+ 30	- 2	+ 267	- 20	+ 234	- 13	+ 541
	1954 I-III	+ 59	+ 120	+ 179	- 10	+ 418	+ 305	+ 259	+ 154	+ 1 346
	1952 I-III	+ 25	+ 58	+ 83	+ 3	+ 298	+ 356	+ 14	+ 58	+ 810
	1953 I-III	- 20	- 128	- 148	- 5	+ 263	61	+ 133	- 13	+ 185
C. Surplus or deficit on goods and services, private donations and capital (A + B)	1954 I-III	+ 30	- 35	- 5	- 13	+ 420	+ 268	+ 177	+ 154	+ 1 019
	1952 I-III	+ 133	- 513	- 380	+ 76	- 389	- 122	- 91	+ 42	- 934
	1953 I-III	+ 239	+ 323	+ 562	+ 83	- 485	+ 87	+ 82	- 23	+ 469
	1954 I-III	+ 291	+ 174	+ 465	+ 118	- 150	+ 64	- 120	+ 124	+ 522
	1952 I-III	+ 348	+ 1 075	+ 1 423	+ 8	+ 11	+ 80	+ 491	+ 44	+ 2 191
	1953 I-III	+ 243	+ 640	+ 883	—	+ 10	+ 266	+ 373	+ 60	+ 1 697
	1954 I-III	+ 85	+ 470	+ 555	- 3	+ 2	+ 52	+ 369	+ 41	+ 1 082
	1952 I-III	+ 256	- 637	- 381	- 41	- 241	- 54	- 117	+ 35	- 791
	1953 I-III	- 639	- 1 105	- 1 744	+ 11	+ 201	- 336	- 58	+ 62	- 1 907
	1954 I-III	- 266	- 950	- 1 216	+ 51	- 13	- 135	+ 113	- 200	- 1 349
E. Changes in foreign holdings of gold and dollar assets (total)	1952 I-III	- 30	+ 30	- 60	—	73	9	+ 12	2	133
	1953 I-III	- 79	- 2	- 77	- 1	+ 47	—	3	- 27	100
	1954 I-III	- 96	- 99	- 195	+ 3	+ 8	- 89	—	- 60	299
	1952 I-III	- 234	- 635	- 869	- 41	- 179	- 144	- 116	+ 39	- 1 311
	1953 I-III	- 80	- 682	- 762	+ 12	- 192	- 210	- 49	+ 74	- 774
	1954 I-III	- 120	- 595	- 715	+ 48	- 68	- 111	+ 124	- 156	- 822
	1952 I-III	+ 520	+ 28	+ 548	—	+ 11	+ 99	- 13	- 2	+ 653
	1953 I-III	- 480	+ 425	+ 905	—	+ 1	+ 126	- 6	+ 5	+ 1 033
	1954 I-III	- 50	- 256	- 306	—	+ 8	+ 65	- 11	+ 16	- 228
	1952 I-III	- 737	+ 75	- 662	- 43	+ 619	+ 96	- 283	- 121	- 466
F. Errors, omissions and inter-regional transfers of dollars	1953 I-III	+ 157	+ 142	+ 299	- 94	+ 274	- 17	- 397	- 99	- 259
	1954 I-III	- 110	+ 306	+ 196	- 166	+ 161	+ 19	- 362	+ 35	- 255

Sources: Rearranged from the July, September and December 1954 issues of the Survey of Current Business, United States Department of Commerce.

b Excluding goods and services provided by the United States to other countries under the military aid programme. See Appendix B.

**Table XXV. — EUROPEAN PAYMENTS UNION : MONTHLY BALANCES OF EACH MEMBER WITH THE E.P.U. AREA
AND THE SETTLEMENT OF CUMULATIVE NET POSITIONS**

Monthly averages or calendar months ; millions of units of account (equivalent to one U.S. dollar)

	CREDITOR COUNTRIES							DEBTOR COUNTRIES							
	Western Germany	Nether- lands ^a	Switzer- land ^b	Bel- gium ^a	Austria	Sweden	Portu- gal ^a	United Kingdom ^a	France ^a	Italy	Turkey	Norway	Denmark	Greece	Iceland
1950—Second half	- 61.5	- 18.0	- 2.1	+ 1.0	- 6.3	- 2.6	+ 6.1	+ 79.4	+ 35.6	- 5.2	+ 1.3	- 8.5	- 6.7	- 12.0	- 0.6
1951—First half	+ 14.0	- 27.2	+ 4.0	+ 38.4	- 11.1	- 7.4	+ 3.7	+ 21.9	- 2.9	+ 0.1	- 12.0	- 4.8	- 4.7	- 11.4	- 0.6
Second half	+ 52.9	+ 36.6	+ 21.7	+ 61.0	- 4.4	+ 39.5	+ 6.3	- 179.3	- 65.6	+ 37.5	- 5.7	+ 1.7	+ 6.0	- 7.7	- 0.3
1952—First half	+ 44.5	+ 42.9	+ 4.6	+ 32.3	- 2.0	+ 7.9	- 1.7	- 70.9	- 38.9	- 5.1	- 10.2	+ 1.7	+ 1.7	- 6.1	- 0.7
Third quarter	+ 44.1	+ 19.8	+ 7.7	+ 2.8	+ 4.7	- 5.2	- 3.0	- 22.1	- 26.6	- 1.2	- 23.6	- 2.0	+ 4.8	- 0.3	-
Fourth quarter	- 22.7	-	- 3.1	- 1.0	+ 6.5	- 1.0	- 4.3	+ 96.0	- 44.6	- 19.7	+ 4.8	- 3.6	- 5.8	- 1.5	+ 0.1
1953—First quarter	+ 21.1	+ 20.5	+ 12.6	- 7.5	- 2.1	- 4.7	+ 0.1	+ 24.9	- 20.5	- 31.8	+ 1.2	- 5.6	- 3.2	- 4.5	- 0.4
Second quarter	+ 44.4	+ 5.9	+ 11.2	- 5.2	- 4.8	- 3.8	- 0.4	+ 24.9	- 47.2	- 21.6	+ 1.0	- 8.5	- 1.4	- 2.9	- 1.1
Third quarter	+ 27.8	- 0.1	+ 14.0	- 9.5	+ 16.5	+ 3.6	- 2.9	- 9.5	- 16.4	- 9.6	- 1.0	- 5.7	- 4.2	- 2.4	- 0.3
Fourth quarter	+ 51.7	- 3.5	+ 4.1	+ 8.4	+ 7.2	+ 6.1	- 0.5	- 7.1	- 15.7	- 23.7	- 11.6	- 9.6	- 6.0	+ 0.6	- 0.4
1954—First quarter	+ 56.3	- 9.8	- 2.8	- 0.6	+ 5.8	- 14.7	+ 0.5	+ 10.1	- 7.7	- 17.1	- 8.5	- 3.7	- 3.5	- 3.9	- 0.5
Second quarter	+ 36.7	- 0.4	- 8.9	- 16.7	+ 5.8	- 7.1	- 3.3	+ 42.1	- 9.7	- 19.4	- 10.1	- 1.2	- 17.0	- 7.8	- 0.2
July	+ 32.8	- 3.1	+ 20.2	- 14.9	+ 7.6	- 14.7	- 8.5	+ 26.4	-	- 23.6	+ 1.2	- 4.3	- 6.1	- 12.9	- 0.6
August	+ 45.2	- 5.6	+ 26.3	+ 6.7	+ 5.1	+ 0.1	- 1.4	- 23.4	- 10.5	- 6.6	- 0.8	- 5.1	- 13.6	- 16.2	- 0.3
September	+ 20.4	+ 2.1	+ 11.1	+ 1.1	- 3.9	- 3.7	- 3.5	+ 15.8	- 1.3	+ 0.4	- 2.9	- 12.1	- 14.8	- 8.1	- 0.4
October	+ 11.0	+ 3.2	+ 0.7	+ 4.4	- 5.6	- 9.6	- 4.0	+ 13.8	+ 6.2	- 9.9	+ 1.2	- 7.0	- 8.4	+ 4.2	+ 0.1
November	+ 10.8	+ 21.0	+ 5.4	+ 10.3	- 13.2	- 15.0	- 3.7	+ 5.1	+ 12.3	- 19.3	+ 0.3	- 11.8	- 0.6	+ 1.3	+ 0.1
December	+ 17.0	+ 26.1	+ 0.2	+ 12.5	- 16.5	- 14.2	- 3.4	- 14.9	+ 15.3	- 21.8	- 2.1	- 7.9	+ 7.3	+ 2.2	+ 0.1
Cumulative net position ^c															
July 1950-December 1954	+ 1 239.7	+ 358.4	+ 401.7	+ 700.9	- 19.1	+ 95.3	+ 23.8	- 413.5	- 973.2	- 348.0	- 312.3	- 232.5	- 173.2	- 323.6	- 23.1
Pre-quota operations and adjust- ments ^d	- 244.0	+ 3.9	- 66.5	- 404.3	+ 107.1	- 14.8	- 10.7	- 273.4	+ 490.5	+ 114.2	+ 82.0	+ 35.4	- 21.6	+ 268.8	+ 14.1
Cumulative accounting position ^e	+ 995.7	+ 362.3	+ 335.2	+ 296.6	+ 88.0	+ 80.5	+ 13.1	- 686.9	- 482.7	- 233.8	- 230.3	- 197.1	- 194.8	- 54.8	- 9.0
Means available for settlement of the cumulative accounting position:															
Quota	600.0	426.0	300.0	402.6 ^f	84.0	312.0	84.0	1 272.0	624.0	246.0	60.0	240.0	234.0	- ^g	18.0
"Rallonges"	763.6	100.0	125.0	125.0	102.6	-	20.0	77.5	45.5	164.0	-	14.8	18.2	-	1.6
Total	1 363.6	526.0	425.0	527.6	186.6	312.0	104.0	1 349.5	669.5	410.0	60.0	254.8	252.2	-	19.6
Cumulative accounting position as percentage of:															
— Quota	166	85	112	74	105	26	16	54	77	95	384	82	83	..	50
— Total means of settlement available	73	69	79	56	47	26	13	51	72	57	384	77	77	..	46

^a Sources: *General Statistical Bulletin*, Organization for European Economic Co-operation, Paris, September 1954, and monthly reports published by the Bank for International Settlements, Basle.

^b The United Kingdom includes all sterling area countries except Iceland. Belgium, France, the Netherlands and Portugal include their respective currency areas.

^c Switzerland joined the E.P.U. in November 1950.

^d Including interest charges paid by or to the E.P.U.

^e Figures on this line indicate the net effect of various operations and adjustments affecting the member countries' cumulative net positions; see Appendix B.

^f One-half of the cumulative accounting surplus or deficit of each member country (except Greece and Turkey) has been settled by extension of credit to or by the E.P.U., and the remainder by gold

payments by or to the E.P.U. See Appendix B.

^g The effective quota of Belgium as a creditor is \$402.6 million, but as a debtor \$432 million. The quota of Greece as a creditor is \$54 million, but as a debtor its quota is frozen at zero.

Table XXVI. — INDEX NUMBERS OF UNIT VALUES FOR TOTAL IMPORTS AND EXPORTS
1950 = 100

Country	Type of index ^a	1951		1952				1953				1954		
		1st half	2nd half	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.
<i>Imports</i>														
United Kingdom	C	132	137	129	127	123	120	118	116	115	114	112	114	115
France ^b	A	127	131	134	132	122	120	116	114	115	113	114	114	114
Netherlands	A	119	125	128	124	119	116	111	111	108	104	103	105	103
Belgium-Luxembourg	A	123	124	124	122	118	111	116	112	111	108	108	110	107
Switzerland	B	119	124	123	120	116	114	113	111	109	108	109	109	109
Italy	B	132	139	137	137	129	126	121	120	118	113	118	119	118
Spain	A	98	114	125	130	121	123	127	115	98	95	97	98	..
Portugal	B	113	126	123	125	117	120	121	118	112	118	116	120	119
Turkey	B	117	123	126	124	123	116	115	111	118	110	119	120	111
Denmark	A	122	132	133	129	121	117	115	114	112	111	110	108	109
Sweden	C	121	134	138	138	133	129	127	125	122	121	123	123	122
Norway ^c	A	114	125	123	125	119	115	117	113	108	111	108	108	105
Finland	A	130	146	136	133	135	127	128	122	123	118	124	120	118
Western Germany	A	123	132	132	127	116	111	111	107	104	102	100	101	104
Austria	A	141	145	153	150	145	145	147	162	165	165	161	156	153
Total of countries listed (plus Ireland) ^d		125	131	133	129	124	121	118	115	113	111	109	109	110
United States	D	125	126	124	120	117	115	114	114	114	114	114	118	118
<i>Exports</i>														
United Kingdom	C	113	123	126	126	124	122	121	119	120	119	119	119	119
France ^b	A	111	121	127	128	126	123	120	120	117	115	114	113	111
Netherlands	A	114	121	126	124	115	116	114	112	99	100	102	103	100
Belgium-Luxembourg	A	128	139	144	138	127	123	119	112	110	108	105	102	100
Switzerland	B	106	113	112	110	111	106	108	107	107	107	109	107	106
Italy	B	134	138	138	140	126	123	131	131	126	124	134	134	131
Spain	A	103	113	101	117	115	93	93	104	99	94	92	92	..
Portugal	B	123	134	143	130	132	130	125	119	119	118	118	121	122
Turkey	B	128	119	114	103	101	111	101	100	104	108	107	107	103
Denmark	A	108	118	122	116	115	121	115	112	110	113	111	109	110
Sweden	C	137	171	177	164	143	135	137	137	135	134	135	134	135
Norway ^c	A	127	144	146	136	131	121	118	119	118	117	118	116	123
Finland	A	154	219	238	204	174	141	123	139	154	139	126	141	157
Western Germany	A	114	128	131	133	132	129	126	124	122	121	120	119	118
Austria	A	121	146	159	162	153	135	123	141	143	139	133	138	137
Total of countries listed (plus Ireland) ^d		115	128	130	128	124	121	120	119	116	116	113	113	112
United States	D	115	114	115	115	114	113	114	113	113	113	113	113	111
<i>Terms of trade ^e</i>														
United Kingdom	A	115	110	109	107	104	100	98	97	95	94	94	97	98
France ^b	A	115	108	106	103	97	98	97	95	99	98	100	101	102
Netherlands	A	104	104	101	100	104	100	97	99	108	103	101	103	103
Belgium-Luxembourg	A	96	89	86	88	93	90	97	100	100	100	103	107	106
Switzerland	B	111	110	110	109	105	107	105	104	101	101	100	102	102
Italy	B	99	101	99	98	103	102	93	92	94	91	88	89	90
Spain	A	96	101	123	111	105	132	136	111	99	101	106	107	..
Portugal	B	91	94	86	96	88	92	97	100	94	100	98	99	97
Turkey	A	96	104	93	110	101	101	108	104	103	102	115	120	115
Denmark	A	113	113	109	111	105	97	100	101	101	98	99	99	99
Sweden	C	89	79	78	84	93	96	92	91	91	90	92	92	91
Norway ^c	A	90	87	85	92	90	95	99	95	91	95	91	93	85
Finland	A	85	68	57	65	78	90	104	88	80	84	98	85	75
Western Germany	A	108	103	101	96	88	86	88	87	85	84	84	85	88
Austria	A	117	99	96	92	95	107	119	115	115	119	121	113	112
United States	D	109	110	107	105	103	102	100	101	101	100	101	105	106

Sources and methods: See Appendix B.

^a A = unit value index with moving current weights.

B = unit value index with fixed weights.

C = unit value index with moving anterior weights.

D = unit value index with moving crossed weights.

^b Excluding non-monetary gold.

^c Excluding trade in ships.

^d This index has been derived from current values given in Table XXX and volume index of sixteen countries (including Ireland) given in Table XXVIII.

^e The ratio of the import price index to the export price index. An increase in the index indicates a deterioration in the terms of trade.

Table XXVII

INDEX NUMBERS OF IMPORT AND EXPORT UNIT VALUES FOR MAJOR COMMODITY GROUPS

1950 = 100

Commodity group	Country	Type of index ^a	1951		1952				1953				1954		
			1st half	2nd half	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.
<i>Imports</i>															
Food, drink and tobacco	United Kingdom ^b . .	C	110	117	x 122	123	120	116	115	117	115	114	114	118	118
	France	A	107	119	119	124	118	121	115	118	117	111	112	123	117
	Switzerland	B	112	115	115	113	111	108	108	107	104	105	105	108	109
	Western Germany . .	A	109	116	117	122	103	102	100	102	100	98	96	97	101
	United States	D	112	111	110	112	113	113	110	112	114	113	120	130	130
Raw materials	United Kingdom ^b . .	C	161	156	x 135	128	123	120	116	111	109	110	107	108	109
	France ^c	A	139	138	146	142	126	120	119	111	111	110	113	110	111
	Switzerland	B	131	138	136	130	125	122	120	116	113	113	113	109	110
	Western Germany . .	A	141	153	151	142	131	121	117	112	111	107	105	106	110
	United States	D	152	143	136	125	113	110	111	109	110	108	108	106	106
Manufactures	United Kingdom ^b . .	C	121	137	x 125	126	125	124	123	118	117	114	111	111	111
	France	A	111	116	107	106	110	119	113	123	143	136	125	114	122
	Switzerland	B	112	118	118	116	113	109	112	110	109	107	109	109	107
	Italy	B	130	141	144	136	145	132	125	123	123	116	x 136	139	137
	Western Germany . .	A	111	118	110	104	102	113	117	103	96	95	98	96	92
	United States	D	119	126	126	122	121	120	119	118	117	117	116	116	116
<i>Exports</i>															
Chemical products	United Kingdom . .	A	97	107	124	128	124	113	x 114	110	108	107	107	105	89
	France	A	109	124	117	110	103	94	95	97	97	96	95	95	85
	Switzerland	A	103	100	113	110	100	96	104	98	97	102	106	101	107
	Western Germany . .	A	117	124	121	119	110	103	99	98	96	98	100	98	97
Textile goods	United Kingdom ^b . .	C	125	143	x 135	125	113	109	109	108	108	110	110	112	111
	France	A	120	131	128	122	110	110	110	106	107	107 ^a	107	105	104
	Switzerland	A	115	127	130	118	112	108	109	106	105	110	110	111	108
	Western Germany . .	A	118	136	126	128	119	111	112	106	105	106	110	108	106
Finished engineering products	United Kingdom ^b . .	C	110	119	x 121	125	126	127	126	125	125	125	125	124	125
	France	A	106	118	127	133	130	128	128	133	134	131	134	134	130
	Switzerland	A	98	98	95	97	100	97	99	98	98	98	97	96	97
	Sweden	C	103	117	120	123	131	132	133	141	134	133	134	122	135
	Western Germany . .	A	112	120	125	128	135	134	137	134	134	137	138	137	136
All manufactures	United Kingdom ^b . .	C	113	126	x 128	128	127	125	123	121	121	120	121	120	121
	France	A	110	122	129	131	126	125	124	125	125	122	125	125	123
	Belgium-Luxembourg	A	123	137	141	134	125	121	116	111	109	106	104	102	100
	Switzerland	B	104	112	112	110	111	106	108	106	107	108	110	107	106
	Italy	B	117	132	130	133	121	119	127	124	121	120	x 131	129	127
	Sweden	C	124	148	147	144	134	129	129	129	125	124	124	122	123
	Western Germany . .	A	114	127	130	132	131	128	127	123	122	122	120	119	117
	United States	D	113	114	114	114	113	113	114	113	114	114	113	114	112

Sources and methods: See Appendix B.

NOTE. Owing to the large discrepancies in the type and coverage of the commodity group indices, inter-country comparisons should be made with caution.

^a A = unit value index with moving current weights.

B = unit value index with fixed weights.

C = unit value index with moving anterior weights.

D = unit value index with moving crossed weights.

^b New series for 1952, 1953 and 1954. Figures are not comparable with those for 1951 because of differences in commodity coverage.

^c Excluding non-monetary gold.

Table XXVIII

INDEX NUMBERS OF VOLUME FOR TOTAL IMPORTS AND EXPORTS

1950 = 100

Country	1950	1951		1952				1953				1954		
	Millions of dollars ^a	1st half	2nd half	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.
<i>Imports</i>														
United Kingdom ^b	7 066	109	116	109	106	93	99	105	116	112	114	113	115	113
Ireland	441	113	96	102	87	72	89	97	95	92	111	100	92	94
France ^c	3 028	110	117	128	113	98	107	119	116	102	111	123	128	112
Netherlands	2 052	111	93	93	88	85	94	99	101	110	124	138	123	139
Belgium-Luxembourg . . .	1 950	113	104	108	98	99	115	101	102	106	113	130	130	133
Switzerland	1 049	126	111	110	105	97	104	98	107	107	120	112	121	125
Italy	1 446	126	121	130	145	133	134	153	154	138	159	166	161	139
Spain	390	98	90	81	112	111	128	109	108	139	165	148	168	..
Portugal	273	89	103	96	101	99	105	91	89	102	124	90	101	105
Turkey	286	105	133	140	163	176	183	141	158	162	196	142	225	146
Denmark	852	104	92	97	88	88	102	108	97	108	119	115	135	132
Sweden	1 179	123	114	118	106	105	110	102	108	102	122	114	119	119
Norway	674	110	109	104	105	95	119	119	115	103	127	125	129	127
Finland ^d	388	108	151	155	202	148	118	99	123	110	125	109	138	156
Western Germany	2 704	100	104	115	99	112	145	121	126	131	155	144	160	163
Austria ^e	431	103	104	113	107	91	86	88	94	80	97	96	105	112
Total of countries listed	24 209	110	111	112	107	100	111	111	115	113	125	125	129	127
United States ^f	8 744	106	91	103	101	99	111	111	114	107	103	102	106	94
<i>Exports</i>														
United Kingdom ^g	6 080	101	101	106	93	86	95	94	96	97	106	103	104	103
Ireland	197	83	115	108	119	126	129	123	124	148	142	122	111	148
France ^c	3 028	121	109	102	99	90	109	103	109	90	119	116	120	113
Netherlands	1 383	113	124	127	120	127	128	128	127	153	167	161	156	168
Belgium-Luxembourg . . .	1 644	125	118	119	110	103	114	108	116	114	124	135	145	139
Switzerland	904	117	124	112	108	116	141	126	128	134	145	124	130	135
Italy	1 193	117	122	112	104	99	109	105	113	122	132	123	117	125
Spain	405	124	98	111	93	65	122	122	106	82	131	122	111	..
Portugal	185	113	119	93	98	99	114	86	94	99	136	111	116	120
Turkey	263	98	108	114	118	83	165	148	142	95	178	154	133	104
Denmark	658	115	114	112	102	113	114	120	115	119	136	126	135	131
Sweden	1 103	100	108	93	84	87	110	82	96	104	114	87	112	110
Norway ^h	373	106	107	111	93	94	111	107	99	105	116	118	126	112
Finland ^d	354	103	143	89	98	127	145	91	114	130	135	98	138	158
Western Germany	1 981	136	151	144	148	155	171	151	174	180	217	197	209	228
Austria	305	111	108	102	95	102	133	127	131	152	169	164	173	177
Total of countries listed	20 056	113	115	112	104	102	117	109	114	115	133	125	130	132
United States ^g	10 141	125	132	138	136	115	132	134	147	132	133	118	150	126

Sources and methods : See Appendix B.

^a Values c.i.f. for imports (f.o.b. for the United States) and f.o.b. for exports.

^b Retained imports.

^c Excluding non-monetary gold.

^d For comparability with other countries, the seasonal adjustment in the

official Finnish index has been eliminated. Exports for war reparations are excluded.

^e Including imports under the foreign aid programme.

^f Imports for consumption.

^g Domestic exports.

^h Excluding ships.

Table XXIX

INDEX NUMBERS OF THE VOLUME OF IMPORTS AND EXPORTS FOR MAJOR COMMODITY GROUPS
1950 = 100

Commodity group	Country	1950	1951		1952				1953				1954		
		Millions of dollars <i>a</i>	1st half	2nd half	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.
<i>Imports</i>															
Food, drink and tobacco	United Kingdom <i>b c</i>	2 867	109	110	108	104	91	90	x 99	120	112	113	112	101	105
	France	897	106	99	113	119	89	104	119	121	84	100	116	125	93
	Switzerland	318	100	83	83	79	80	95	83	85	88	100	89	86	78
	Western Germany . .	1 192	102	103	111	92	100	135	107	111	109	140	132	133	134
	United States	2 648	112	97	115	101	102	106	116	111	107	109	117	111	80
Raw materials	United Kingdom <i>b c</i>	2 792	105	117	109	106	93	106	x 112	116	105	110	110	121	114
	France <i>d</i>	1 661	116	127	137	114	105	112	127	117	118	120	136	136	129
	Switzerland	371	124	117	116	108	103	98	92	99	101	105	101	115	133
	Western Germany . .	1 173	100	106	122	97	117	143	127	132	141	155	146	169	169
	United States	2 465	100	86	101	101	91	104	99	101	96	92	93	97	91
Manufactures	United Kingdom <i>b c</i>	1 579	117	125	123	111	104	106	x 109	109	129	130	127	131	129
	France	470	95	116	131	102	93	93	100	106	84	99	91	109	96
	Switzerland	360	143	123	121	117	104	114	113	127	124	143	134	147	146
	Italy	..	122	109	139	145	134	151	157	164	147	178	x 182	167	152
	Western Germany . .	339	95	100	106	127	139	186	147	160	170	210	182	219	247
	United States	3 630	106	91	97	101	103	120	114	123	113	106	96	111	108
<i>Exports</i>															
Chemical products	United Kingdom . .	301	126	133	122	103	93	102	x 102	106	111	122	122	136	162
	France	168	123	107	110	111	98	116	117	123	111	135	145	141	164
	Netherlands	..	128	120	139	129	125	118	136	132	149	160	210	190	179
	Switzerland	122	135	128	102	92	91	125	113	119	126	136	128	143	147
	Western Germany . .	170	160	157	123	116	138	167	184	191	206	255	247	249	274
Textile goods	United Kingdom <i>c</i> .	1 162	106	92	86	68	70	81	x 79	79	85	90	86	81	79
	France	587	111	90	82	76	77	99	88	92	80	112	99	99	95
	Switzerland	82	114	96	89	92	93	124	129	130	123	134	138	128	121
	Western Germany . .	97	168	184	189	191	175	199	182	212	245	284	269	265	310
Finished engineering products	United Kingdom <i>c</i> . .	1 123	100	107	120	108	98	103	x 95	99	93	102	105	104	99
	France	417	127	124	127	132	108	116	111	115	88	111	114	128	103
	Switzerland	258	111	121	114	118	116	130	120	121	123	136	124	131	137
	Sweden	152	112	124	131	123	93	111	93	87	92	106	93	119	96
	Western Germany . .	392	154	182	200	222	215	247	201	251	233	269	244	277	281
All manufactures	United Kingdom <i>c</i> . .	5 270	103	102	107	94	85	93	x 90	93	93	101	100	100	100
	France	1 246	119	112	110	107	96	112	99	105	85	117	109	113	100
	Belgium-Luxembourg	..	120	116	125	114	104	117	109	118	117	129	131	142	150
	Switzerland	833	119	125	114	108	115	139	125	128	133	144	123	129	135
	Italy	..	123	127	116	107	102	115	108	119	125	137	x 129	120	128
	Sweden	585	107	109	114	99	86	113	92	93	96	116	104	121	108
	Western Germany . .	1 280	151	162	167	174	180	199	168	203	206	252	230	249	270
	United States <i>e</i> . . .	6 894	130	132	138	150	132	144	154	177	155*	149	135	175	147

Sources and methods : See Appendix B.

NOTE. — Owing to the large discrepancies in the type and coverage of the commodity group indices, inter-country comparisons should be made with caution. All indices are quantum indices with fixed weights, except in the case of Sweden (moving anterior weights) and the United States (moving crossed weights).

a Imports c.i.f., except for the United States (imports f.o.b.), and exports f.o.b.

b General imports.

c New series for 1953 and 1954. Figures are not comparable with those for previous quarters, because of differences in commodity coverage.

d Excluding non-monetary gold.

e Including "special categories".

Table XXX. — IMPORTS AND EXPORTS OF NINETEEN FIFTY-NINE
ACCORDING TO AREAS

Millions of current dollars

Area of origin for imports and area of destination for exports ▼	Year and quarters	United Kingdom ^a		Ireland		Iceland		France ^b		Netherlands		Belgium-Luxembourg		Switzerland		Italy		Portugal	
		Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.
I. United Kingdom, Ireland and Iceland	1952-I-II	116.1	138.1	128.6	105.6	7.2	3.1	79.9	110.0	100.8	167.9	102.5	161.7	41.1	27.5	67.1	62.9	26.9	16.1
	III-IV	146.3	124.0	116.2	136.3	4.6	2.6	77.6	109.4	103.4	110.9	102.4	121.2	38.8	30.0	65.5	53.6	28.7	13.1
	1953-I-II	141.3	129.2	127.4	131.3	3.5	3.0	87.0	115.9	110.1	132.2	105.4	106.0	40.4	28.4	93.4	49.1	25.6	12.1
	III-IV	162.3	137.7	134.1	155.1	4.5	2.0	77.4	104.0	117.2	120.7	116.9	82.2	39.4	31.7	95.6	65.0	27.1	17.1
	1954-I-II	129.7	150.0	147.9	121.3	4.2	2.2	84.1	121.3	113.4	136.2	112.4	76.0	38.9	31.0	90.3	58.6	26.9	16.1
	III	81.1	70.3	66.4	78.8	1.9	0.8	39.7	57.1	60.3	72.8	48.6	36.7	18.2	16.0	37.1	37.7	12.6	10.1
II. Western European industrial countries (France, Netherlands, Belgium-Luxembourg, Switzerland)	1952-I-II	483.2	299.3	21.7	7.9	2.3	0.8	178.5	217.7	263.2	237.8	303.9	334.7	130.5	85.0	124.2	128.3	40.1	10.1
	III-IV	393.4	308.0	16.8	6.0	1.6	1.6	158.4	222.5	236.7	243.9	333.4	298.9	125.4	90.8	157.7	110.8	31.2	15.1
	1953-I-II	369.1	331.3	25.5	3.6	2.1	0.6	172.0	229.6	247.2	242.4	327.7	305.0	111.1	93.0	173.9	116.0	26.8	9.1
	III-IV	352.8	347.9	21.6	2.9	3.0	1.1	164.8	226.1	287.1	238.8	333.5	338.9	129.9	92.9	170.4	117.1	45.8	12.1
	1954-I-II	375.4	353.6	20.5	3.7	2.6	1.4	182.3	271.5	291.0	237.1	340.8	354.7	130.2	93.3	180.9	147.4	28.4	11.1
	III	203.1	165.8	8.6	1.6	1.0	0.8	89.3	135.8	158.0	115.7	172.5	186.0	71.8	47.8	78.2	68.5	23.9	5.1
III. Mediterranean and Iberian countries (Italy, Greece, Spain, Portugal, Yugoslavia, Turkey and miscellaneous continental and non-continental European countries and territories)	1952-I-II	207.3	227.7	5.6	3.0	1.3	2.5	154.4	127.6	29.7	53.0	38.3	108.2	60.2	70.0	34.3	73.7	4.3	3.1
	III-IV	129.3	209.3	6.3	0.8	0.9	4.9	81.7	143.9	20.5	52.6	33.5	85.1	54.9	88.9	49.1	76.4	5.7	7.1
	1953-I-II	146.3	213.9	6.8	0.7	1.5	2.9	96.1	150.3	27.7	45.1	36.0	80.4	65.7	84.3	65.5	73.1	6.0	4.1
	III-IV	144.4	200.0	8.0	1.1	2.0	3.6	62.3	156.3	27.1	53.4	31.5	93.8	69.6	89.1	45.7	88.7	5.9	3.1
	1954-I-II	153.8	210.1	5.3	1.5	2.5	3.1	105.4	166.6	32.3	47.9	37.0	66.5	76.0	82.7	46.8	74.0	4.8	6.1
	III	75.1	105.4	2.0	0.3	1.0	1.6	26.7	70.6	14.6	23.6	16.1	33.5	37.2	39.4	18.2	27.7	3.5	2.1
IV. Scandinavian countries (Denmark, Sweden, Norway, Finland)	1952-I-II	519.3	355.9	10.7	0.8	3.8	0.9	119.4	97.7	64.5	107.7	61.7	134.0	29.7	36.1	59.7	34.3	6.2	4.1
	III-IV	437.0	323.1	7.9	0.6	5.0	6.5	94.8	100.5	78.1	93.3	74.8	85.3	28.8	40.0	46.3	29.7	6.6	3.1
	1953-I-II	450.9	349.1	7.7	0.4	3.9	1.3	81.9	82.8	64.4	92.0	64.0	88.6	23.3	40.7	44.3	37.6	7.2	3.1
	III-IV	491.8	360.0	13.4	0.9	7.7	6.2	72.0	74.6	84.8	119.6	71.8	92.9	22.9	39.9	49.9	38.3	5.7	5.1
	1954-I-II	442.9	377.3	9.8	1.2	5.8	2.2	71.3	96.7	69.8	125.2	61.7	98.6	18.3	40.9	48.6	51.2	5.8	5.1
	III	279.8	190.0	6.3	0.3	3.3	2.4	33.9	50.2	47.6	64.9	35.7	41.0	10.4	21.5	25.7	17.4	2.4	2.1
V. Western Germany and Austria	1952-I-II	143.6	74.0	8.5	1.2	2.0	0.3	184.4	104.3	159.0	144.7	131.7	102.0	122.8	58.6	132.0	85.3	11.5	6.1
	III-IV	139.7	88.3	7.3	1.3	1.3	2.1	171.6	142.7	163.4	160.2	144.2	162.0	117.3	73.0	146.5	91.4	15.6	9.1
	1953-I-II	122.3	91.9	7.0	1.3	2.4	1.0	174.0	149.1	177.1	139.4	145.5	125.6	121.1	73.3	172.5	92.9	15.6	6.1
	III-IV	112.0	95.2	8.6	1.3	2.0	2.2	159.9	154.2	220.4	170.7	161.4	124.3	137.9	89.1	200.8	114.2	22.7	9.1
	1954-I-II	126.0	106.0	10.8	2.2	2.9	1.3	170.7	168.8	231.7	169.1	172.2	109.6	140.0	85.9	209.9	107.0	22.6	7.1
	III	57.3	56.3	5.3	1.4	1.4	0.8	87.9	92.9	135.7	103.7	90.8	55.5	81.0	43.7	103.9	68.5	13.2	4.1
VI. Western Europe	1952-I-II	1 469.5	1 095.0	175.1	118.5	16.6	7.6	716.6	657.3	617.2	711.1	638.1	840.6	384.3	277.2	417.3	384.5	89.0	41.1
	III-IV	1 245.7	1 052.7	154.5	145.0	13.4	17.7	584.1	719.0	602.1	660.9	688.3	752.5	365.2	322.7	465.1	361.9	87.8	49.1
	1953-I-II	1 229.9	1 115.4	174.4	137.3	13.4	8.8	611.0	727.7	626.5	651.1	678.6	705.6	361.6	319.7	549.6	368.7	81.2	36.1
	III-IV	1 263.3	1 140.8	185.7	161.3	19.2	15.1	536.4	715.2	736.6	703.2	715.1	732.1	399.7	342.7	562.4	423.3	107.2	47.1
	1954-I-II	1 227.8	1 197.0	194.3	129.9	18.0	10.2	613.8	824.9	738.2	715.5	724.1	705.4	403.4	333.8	576.5	438.2	88.5	46.1
	III	696.4	587.8	88.6	82.4	8.6	6.4	277.5	406.6	416.2	380.7	363.7	352.7	218.6	168.4	263.1	219.8	55.6	24.1
VII. Eastern European countries (Bulgaria, Czechoslovakia, eastern Germany, Hungary, Poland and Rumania)	1952-I-II	35.8	16.1	1.5	—	1.6	1.3	24.0	17.6	11.5	18.9	9.9	20.3	17.9	19.4	24.4	17.3	0.2	0.1
	III-IV	36.3	12.6	0.2	—	2.1	1.4	16.4	14.6	17.2	12.5	11.2	24.3	14.8	20.7	25.8	17.1	0.5	0.1
	1953-I-II	49.6	14.8	0.3	0.1	1.8	2.3	13.6	21.7	10.8	12.8	10.1	30.2	14.4	15.1	20.7	17.0	0.5	0.1
	III-IV	45.4	19.2	0.7	0.2	2.8	0.9	9.9	13.3	11.6	21.3	13.3	17.9	16.0	16.4	16.3	17.8	0.3	0.1
	1954-I-II	40.8	20.1	0.6	0.1	2.3	3.1	12.6	18.1	14.4	20.1	9.6	20.6	15.8	14.4	20.3	17.3	0.2	0.1
	III	25.8	10.0	0.1	—	1.1	0.4	6.2	8.9	7.5	14.3	5.2	8.5	7.0	8.3	8.1	5.7	0.1	0.1
VIII. Union of Soviet Socialist Republics	1952-I-II	108.0	6.2	—	—	—	—	12.5	3.4	14.3	3.1	3.1	11.7	1.6	1.8	17.2	9.0	—	2.1
	III-IV	54.8	4.6	0.2	—	—	—	5.6	3.1	11.2	1.8	8.5	3.1	1.2	0.6	16.9	11.4	—	2.1
	1953-I-II	28.8	1.3	—	—	—	—	7.4	3.4	5.9	2.2	4.1	3.0	1.6	0.7	4.3	6.9	—	2.1
	III-IV	82.9	8.0	0.9	—	1.6	5.5	9.5	12.7	25.4	20.5	12.6	13.5	2.4	2.2	5.0	16.2	—	1.1
	1954-I-II	40.4	11.0	0.1	—	1.9	3.3	18.1	19.2	7.4	17.8	10.5	12.6	3.6	1.3	9.3	14.0	—	4.1
	III	41.5	3.9	0.1	—	3.8	1.7	11.7	5.1	6.0	8.5	10.6	5.9	1.0	0.8	5.3	3.7	—	—
IX. Total Europe (including U.S.S.R.)	1952-I-II	1 613.3	1 117.3	176.6	118.5	18.2	8.9	753.1	678.3	643.0	733.1	651.1	872.6	403.8	298.4	458.9	410.8	89.2	44.1
	III-IV	1 336.8	1 069.9	154.9	145.0	15.5	19.1	606.1	736.7	630.5	675.2	708.0	779.9	381.2	344.0	507.8	390.4	88.3	53.1
	1953-I-II	1 308.3	1 131.5	174.7	137.4	15.2	11.1	632.0	752.8	643.2	666.1	692.8	738.8	377.6	335.5	574.6	392.6	81.7	40.1
	III-IV	1 391.6	1 168.0	187.3	161.5	23.6	21.5	555.8	741.2	773.6	745.0	741.0	763.5	418.1	361.3	583.7	457.3	107.5	49.1
	1954-I-II	1 309.0	1 228.1	195.0	130.0	22.2	16.6	644.5	862.2	760.0	753.4	744.2	738.6	422.8	349.5	606.1	469.5	88.7	53.1
	III	763.7	601.7	88.8	82.4	13.5	8.5	295.4	420.6	429.7	403.5	379.5	367.1	226.6	177.5	276.5	229.2	55.7	23.1

EUROPEAN COUNTRIES AND THE UNITED STATES

ORIGIN AND DESTINATION

Imports *c.i.f.*, exports *f.o.b.*

Greece, Spain and Turkey		Yugo- slavia		Denmark		Sweden		Norway		Finland		Western Germany		Austria ^c		Total of nineteen countries		United States		Year and quarters	Origin and destina- tion
Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.		
190.6	58.3	15.0	28.5	129.3	163.7	126.1	150.8	85.9	66.8	74.5	90.2	58.0	127.5	35.8	15.3	1 285.4	1 494.8	248.3	420.5	I-II-1952	I
193.0	44.8	10.5	6.3	132.3	166.4	124.7	116.7	89.5	49.1	47.6	72.7	71.8	116.3	27.3	21.1	1 280.2	1 295.3	260.2	298.8	III-IV	
190.3	69.1	10.3	11.8	143.7	187.8	129.9	132.7	101.2	51.1	28.6	54.0	70.3	102.7	16.5	19.6	1 324.9	1 336.1	273.4	314.5	I-II-1953	
181.0	57.8	14.3	9.6	141.0	178.2	130.9	156.5	90.7	50.3	39.9	75.3	88.3	106.4	15.2	18.7	1 375.8	1 368.3	280.5	311.1	III-IV	
176.8	(55.9)	14.2	11.0	148.6	178.5	144.0	142.4	98.7	53.9	44.5	61.3	98.1	111.3	15.9	13.8	1 388.6	1 341.1	251.8	286.2	I-II-1954	II
140.6	(25.2)	4.9	5.5	77.7	97.7	69.6	83.9	49.2	28.7	28.8	56.1	53.2	54.8	7.1	5.7	697.0	737.8	124.6	173.6	III	
108.5	109.1	33.1	16.9	90.1	38.4	157.4	133.3	68.7	38.2	83.8	42.6	344.5	563.7	55.9	42.7	2 489.6	2 306.7	318.7	613.8	I-II-1952	
132.6	60.5	33.0	11.5	90.4	45.7	140.9	132.9	59.4	33.8	64.5	62.4	488.8	615.0	40.6	35.3	2 504.8	2 294.6	344.0	453.8	III-IV	
113.6	72.6	31.9	9.0	90.6	44.4	136.1	112.7	60.3	31.2	41.7	23.9	427.6	602.9	35.8	36.1	2 393.0	2 263.8	381.3	460.6	I-II-1953	III
124.5	62.3	29.6	11.4	93.7	34.9	159.7	138.1	64.0	27.9	34.8	43.1	491.2	677.6	36.1	37.4	2 542.5	2 411.0	390.7	485.6	III-IV	
114.7	(73.7)	22.4	12.1	102.2	27.5	166.7	119.3	69.3	31.4	52.5	31.1	489.1	692.9	37.6	39.4	2 606.6	2 501.3	312.1	554.9	I-II-1954	
155.4	(34.1)	8.8	5.4	51.0	13.4	84.3	63.9	28.7	16.8	22.9	29.4	267.9	386.4	21.5	20.8	1 346.9	1 298.1	164.3	246.7	III	
148.8	22.8	22.9	17.2	14.6	21.4	42.5	47.1	14.8	16.0	14.7	10.8	228.4	259.3	49.6	53.9	971.7	1 117.6	181.1	440.0	I-II-1952	IV
161.2	49.5	34.1	24.8	16.3	23.4	29.4	44.2	11.7	18.3	9.8	9.4	182.4	308.1	39.8	67.1	766.6	1 214.6	198.6	276.3	III-IV	
167.7	75.5	24.2	26.6	18.1	21.1	40.1	44.7	20.1	14.0	11.1	8.4	212.7	288.2	34.3	59.3	879.9	1 192.7	192.9	335.7	I-II-1953	
193.0	55.6	18.8	30.8	17.1	22.3	34.6	51.4	11.2	18.3	9.6	11.9	203.0	330.6	32.2	78.3	816.0	1 288.9	188.2	271.5	III-IV	
184.7	(59.6)	27.2	31.2	17.1	22.3	42.3	45.9	18.9	12.1	14.0	10.5	206.1	314.6	37.4	79.2	911.6	1 234.4	169.2	333.7	I-II-1954	V
136.3	(13.3)	8.1	16.6	6.6	11.4	16.4	23.7	5.5	11.2	4.1	9.9	110.5	159.6	21.8	39.8	403.7	589.7	79.0	118.9	III	
145.7	25.8	2.9	2.5	72.5	55.4	61.0	117.2	76.2	51.4	49.0	25.3	202.3	311.2	12.7	9.3	1 397.3	1 369.6	100.2	164.4	I-II-1952	
148.7	27.6	2.7	1.5	74.5	49.5	73.0	133.5	91.1	47.3	35.8	30.7	273.4	324.5	11.7	10.6	1 390.2	1 308.1	107.2	123.0	III-IV	
145.0	35.6	6.8	0.9	67.6	43.5	50.7	106.7	77.6	41.2	23.1	16.2	179.9	297.1	9.1	10.6	1 207.4	1 247.9	130.0	113.8	I-II-1953	VI
153.0	29.2	2.1	2.3	82.6	47.1	68.0	117.0	76.7	46.9	21.5	24.4	222.5	335.8	7.7	9.8	1 354.1	1 350.0	126.8	112.7	III-IV	
141.0	(30.8)	4.6	2.2	81.1	50.8	60.5	135.8	88.2	52.4	22.8	16.7	200.5	344.7	9.0	10.4	1 241.7	1 442.5	112.8	118.2	I-II-1954	
149.9	(11.4)	1.8	0.9	49.1	25.7	31.8	66.1	53.5	26.2	13.7	18.5	124.2	198.9	3.9	5.4	743.0	743.4	52.4	54.1	III	
113.1	87.3	42.0	57.5	77.2	55.2	154.0	85.5	50.9	28.1	55.6	24.1	40.1	71.5	67.7	47.6	1 496.1	1 033.9	107.8	275.8	I-II-1952	VII
137.5	83.7	59.2	26.9	79.3	67.8	161.1	109.4	49.4	25.5	46.3	40.4	47.8	78.5	72.7	54.4	1 560.2	1 216.8	130.9	236.7	III-IV	
110.9	99.5	49.1	17.0	87.9	55.4	144.0	75.4	69.6	26.9	25.0	16.4	45.2	72.4	72.6	49.9	1 541.8	1 094.3	153.1	204.0	I-II-1953	
131.6	70.0	40.8	25.6	105.4	70.4	153.5	100.7	81.3	24.0	17.9	24.6	51.8	87.5	81.1	55.6	1 689.1	1 218.8	155.1	204.4	III-IV	
114.3	(74.8)	40.0	29.5	109.3	63.5	161.5	87.1	83.1	32.8	19.7	17.4	55.9	99.3	95.3	59.6	1 765.9	1 221.1	145.8	247.7	I-II-1954	VIII
154.1	(45.4)	17.1	19.3	64.0	31.4	94.7	57.2	34.6	14.4	12.9	17.7	36.8	63.8	60.5	40.2	951.2	716.5	75.4	101.5	III	
140.7	303.3	115.9	122.6	383.7	334.1	541.0	533.9	296.5	200.5	277.6	193.0	873.3	1 333.2	221.7	168.8	7 640.1	7 322.6	956.1	1 914.5	I-II-1952	
147.0	266.1	139.5	71.0	392.8	352.8	529.1	536.7	301.1	174.0	204.0	215.6	1 064.2	1 442.4	192.1	188.5	7 502.0	7 329.4	1 040.9	1 388.6	III-IV	
142.5	352.3	122.3	65.3	407.9	352.2	500.8	472.2	328.8	164.4	129.5	118.9	935.7	1 363.3	168.3	175.5	7 347.0	7 134.8	1 130.7	1 428.6	I-II-1953	IX
143.1	274.9	105.6	79.7	439.8	352.9	546.7	563.7	323.9	167.4	123.7	179.3	1 056.8	1 537.9	172.3	199.8	7 777.5	7 637.0	1 141.3	1 385.3	III-IV	
143.5	(294.8)	108.4	86.0	458.3	342.6	575.0	530.5	358.2	182.6	153.5	137.0	1 049.7	1 562.8	195.2	202.4	7 914.4	7 740.4	991.7	1 540.7	I-II-1954	
1206.3	(129.4)	40.7	47.7	248.4	179.6	296.8	294.8	171.5	97.3	82.4	131.6	592.6	863.5	114.8	111.9	4 141.8	4 085.5	495.7	694.8	III	
7.8	9.8	—	—	11.3	10.2	47.5	39.7	10.3	7.8	33.5	12.2	24.4	23.1	40.7	30.8	302.3	245.0	10.2	0.4	I-II-1952	X
13.4	8.6	—	—	16.6	11.1	40.0	34.3	10.5	10.1	38.1	9.7	28.6	27.1	32.7	33.0	304.4	237.8	12.2	0.6	III-IV	
13.9	17.5	—	—	14.7	10.9	22.5	17.3	10.6	6.7	37.2	12.7	18.9	23.8	30.9	28.5	270.5	232.3	11.7	0.8	I-II-1953	
19.1	16.1	—	—	15.5	12.1	27.3	28.0	12.6	10.0	53.9	15.7	31.9	28.2	28.1	28.5	304.7	245.8	11.7	0.7	III-IV	
(20.2)	(34.9)	—	—	14.0	21.5	19.7	22.4	15.2	11.3	43.6	17.8	23.1	29.2	26.5	27.5	278.9	278.8	13.1	1.0	I-II-1954	XI
(10.0)	(13.8)	1.3	1.5	6.8	10.5	10.7	12.4	7.0	4.3	25.8	8.9	20.8	16.8	10.1	13.0	153.6	137.7	7.5	0.7	III	
—	1.8	—	—	8.0	8.3	8.0	22.0	3.8	4.5	40.7	49.5	—	—	0.1	0.3	217.3	124.4	9.4	—	I-II-1952	
—	0.6	—	—	3.1	4.2	11.9	22.5	7.6	5.8	40.9	69.8	3.9	0.1	—	—	165.8	130.7	7.3	—	III-IV	
—	1.3	—	—	3.1	1.4	3.0	11.5	3.6	5.6	48.2	62.6	5.2	0.1	—	—	115.2	102.7	6.3	—	I-II-1953	XII
0.1	2.9	—	—	5.3	19.5	7.0	10.2	13.3	9.5	41.4	82.9	10.5	1.6	—	1.5	217.9	208.6	4.5	—	III-IV	
(1.8)	(2.0)	—	—	8.5	16.4	10.6	10.8	5.9	13.0	37.2	74.2	7.7	4.8	0.2	0.8	163.2	205.3	5.8	—	I-II-1954	
(0.9)	(0.3)	—	—	2.7	1.2	7.2	5.0	4.4	5.6	19.4	34.1	4.0	3.4	0.7	0.2	119.3	79.4	3.5	0.2	III	
414.5	314.9	115.9	122.6	403.0	352.6	596.5	595.6	310.6	212.8	351.8	254.7	897.7	1 356.3	262.5	199.9	8 159.7	7 692.0	975.7	1 914.9	I-II-1952	XIII
486.4	275.3	139.5	71.0	412.5	368.1	581.0	593.5	319.2	189.9	283.0	295.1	1 096.7	1 469.6	224.8	221.5	7 972.2	7 697.9	1 060.4	1 389.2	III-IV	
441.4	371.1	122.3	65.3	425.7	364.5	526.3	501.0	343.0	176.7	214.9	194.2	959.8	1 387.2	199.2	204.0	7 732.7	7 469.8	1 148.7	1 429.4	I-II-1953	
502.3	293.9	105.6	79.7	460.6	384.5	581.0	601.9	349.8	186.9	219.0	277.9	1 099.2	1 567.7	200.4	229.8	8 300.1	8 091.4	1 157.5	1 386.0	III-IV	
(453.5)	(331.7)	108.4	86.0	480.8	380.5	605.3	563.7	379.3	206.9	234.3	229.0	1 080.5	1 596.8	221.9	230.7	8 356.5	8 224.5	1 010.6	1 541.7	I-II-1954	XIV
(217.2)	(143.5)	42.0	49.2	257.9	191.3	314.7	312.2	182.9	107.2	127.6	174.6	617.4	883.7	125.6	125.1	4 414.7	4 302.6	506.7	695.7	III	

Table XXX (continued). — IMPORTS AND EXPORTS OF NINETEEN FIFTY FIVE
ACCORDING TO AREAS

Millions of current dollars

Area of origin for imports and area of destination for exports ▽	Year and quarters	United Kingdom ^a		Ireland		Iceland		France ^b		Netherlands		Belgium-Luxembourg		Switzerland		Italy		Portugal	
		Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.
X. United States and dependencies	1952-I-II	564.1	199.4	32.9	5.0	5.5	5.2	298.7	82.0	175.3	65.9	220.2	85.7	112.7	68.5	285.6	61.2	26.6	16.4
	III-IV	330.1	204.6	19.1	3.8	5.9	4.6	159.9	75.9	111.7	71.2	141.5	101.6	82.4	94.4	200.0	78.4	20.8	18.2
	1953-I-II	388.6	224.6	19.2	3.1	7.4	3.3	210.4	95.1	113.0	80.9	128.2	129.1	72.6	94.7	178.9	67.7	17.8	16.7
	III-IV	323.7	221.9	26.7	3.3	10.7	3.4	174.8	88.1	123.9	90.1	120.9	105.3	73.1	104.1	136.2	77.2	14.7	19.6
	1954-I-II	330.2	208.4	15.6	1.8	7.0	5.2	184.7	75.5	148.2	77.6	135.1	89.9	80.4	66.4	145.9	59.3	11.3	13.5
	III	201.2	100.2	7.5	1.9	3.1	1.8	92.7	37.5	86.0	41.3	68.1	46.6	40.5	41.9	69.7	32.3	10.3	6.1
XI. Canada and Newfoundland	1952-I-II	469.2	154.8	14.2	0.5	0.4	—	44.6	9.6	13.5	3.8	36.4	15.6	22.8	7.9	25.9	3.9	2.4	1.0
	III-IV	425.3	202.0	16.0	0.3	0.2	—	27.0	9.5	25.5	5.7	52.1	15.6	28.3	10.9	22.6	5.3	3.1	1.1
	1953-I-II	347.5	226.9	7.2	0.5	0.4	—	19.2	15.5	22.9	7.2	25.3	14.7	21.2	10.3	18.1	5.9	2.2	1.0
	III-IV	504.1	212.1	8.8	0.6	0.4	—	15.6	10.2	25.8	8.4	32.9	16.1	25.8	11.9	16.4	6.8	1.6	1.3
	1954-I-II	337.8	190.2	3.4	0.9	0.2	—	20.7	9.4	13.8	5.9	21.6	11.8	19.1	10.0	7.7	5.4	1.6	1.0
	III	200.3	84.4	3.6	0.4	—	—	9.4	5.4	7.1	4.6	11.9	5.4	8.8	5.1	4.2	3.6	0.4	0.5
XII. Latin American republics	1952-I-II	292.4	237.0	8.4	—	0.6	0.4	167.2	96.1	64.8	48.2	68.3	87.5	35.4	62.1	70.3	53.0	8.3	11.4
	III-IV	202.2	183.2	2.7	0.2	0.8	0.3	135.7	85.5	53.0	50.1	70.9	55.5	33.9	46.4	66.2	48.8	5.9	5.1
	1953-I-II	340.9	144.7	6.4	—	1.6	1.0	112.2	109.0	48.4	44.4	89.2	41.5	35.8	43.2	78.0	49.5	3.0	2.9
	III-IV	348.4	165.5	9.7	—	0.8	1.0	127.4	124.8	68.4	49.9	80.0	43.2	41.3	51.3	86.5	60.8	7.3	7.4
	1954-I-II	317.9	158.6	4.9	—	1.4	1.9	127.0	118.6	100.3	63.7	92.2	53.1	46.6	47.9	72.6	60.1	3.3	7.1
	III	174.6	73.3	2.3	—	0.1	0.1	66.4	61.1	48.9	25.6	41.1	26.8	22.5	32.3	28.9	42.2	1.6	1.9
XIII. Overseas sterling area (including British colonies)	1952-I-II	1 848.1	1 757.7	23.7	1.6	—	0.4	416.4	80.2	128.1	85.6	122.5	91.5	16.2	36.4	211.2	83.9	8.2	3.9
	III-IV	1 854.5	1 409.6	12.9	1.6	—	0.4	316.7	57.1	124.9	79.9	101.8	44.6	11.8	34.1	184.0	85.8	5.2	3.7
	1953-I-II	2 033.9	1 509.7	28.4	1.6	—	—	401.8	69.1	118.8	80.6	123.5	49.4	15.8	34.5	239.4	82.6	4.8	3.4
	III-IV	1 810.1	1 647.1	17.3	1.7	—	1.0	365.5	71.4	95.4	97.6	112.8	71.6	14.1	42.6	222.4	97.7	4.4	4.1
	1954-I-II	2 055.5	1 685.2	24.5	1.9	—	0.3	434.5	77.9	107.4	104.1	112.7	79.3	20.4	43.2	263.4	91.6	12.8	4.6
	III	871.9	861.6	11.0	0.9	—	0.3	180.6	35.3	58.3	49.7	51.9	38.6	7.3	24.3	96.4	40.3	7.0	2.9
XIV. Affiliated overseas areas (excluding sterling area)	1952-I-II	190.9	73.8	4.5	—	3.7	—	562.8	920.4	38.4	35.0	123.2	96.8	13.6	12.9	28.2	12.9	32.3	33.9
	III-IV	117.4	76.9	3.5	0.2	5.1	—	516.9	807.9	35.0	43.5	117.6	93.0	12.0	14.8	36.6	14.1	37.4	36.5
	1953-I-II	138.3	71.4	5.4	0.2	3.6	—	580.3	783.4	47.7	44.0	99.9	84.1	12.4	12.6	35.9	18.9	31.1	30.5
	III-IV	112.7	69.8	3.2	0.5	3.5	—	508.6	725.7	45.3	38.4	114.2	83.0	11.8	15.0	30.7	18.6	37.1	35.5
	1954-I-II	148.9	77.5	4.3	0.3	0.5	0.1	642.6	804.1	56.7	41.2	113.2	88.0	7.9	13.6	36.9	20.1	34.7	36.4
	III	57.4	36.7	1.5	—	0.3	0.1	283.2	343.6	22.2	23.2	58.3	34.4	3.7	7.6	14.3	10.8	16.6	18.9
XV. Other overseas countries	1952-I-II	297.7	209.2	3.7	0.3	0.1	0.4	190.8	81.9	108.5	101.5	24.5	50.9	23.2	31.3	105.8	75.8	10.0	1.6
	III-IV	141.5	200.0	1.8	0.3	—	0.1	128.5	82.7	103.7	89.6	21.9	43.6	27.7	38.1	107.6	46.3	8.7	5.3
	1953-I-II	132.1	181.0	4.2	0.6	0.3	0.8	118.3	98.8	127.7	73.9	23.9	48.8	30.6	43.3	101.1	65.8	6.9	1.6
	III-IV	120.7	201.3	4.1	0.7	0.3	—	116.0	79.8	118.6	76.8	37.6	56.1	32.6	44.3	91.0	60.6	10.3	4.7
	1954-I-II	136.4	189.3	3.9	0.4	0.4	0.3	127.6	98.1	130.0	72.6	38.2	45.4	28.2	42.9	104.2	64.1	3.9	2.8
	III	66.7	83.6	1.6	0.2	0.2	—	53.6	54.4	70.2	28.6	22.0	19.8	10.5	19.6	47.9	28.8	1.7	2.0
XVI. Total overseas countries	1952-I-II	3 662.4	2 631.9	87.4	7.4	10.3	6.1	1 680.5	1 270.2	528.6	340.0	595.1	428.0	223.9	219.1	727.0	290.7	87.8	68.2
	III-IV	3 071.0	2 276.3	56.0	6.4	12.0	5.4	1 284.7	1 118.6	453.8	340.0	505.8	353.9	196.1	238.7	617.0	278.7	81.1	69.9
	1953-I-II	3 381.3	2 358.3	70.8	6.0	13.3	5.1	1 442.2	1 170.9	478.5	331.0	490.0	367.6	188.4	238.6	651.4	290.4	65.8	56.1
	III-IV	3 219.7	2 517.7	69.8	6.8	15.7	5.4	1 307.9	1 100.0	477.4	361.2	498.4	375.3	198.7	269.2	583.2	321.7	75.4	72.6
	1954-I-II	3 326.7	2 509.2	56.6	5.3	9.5	7.8	1 537.1	1 183.6	556.4	365.1	513.0	367.5	202.6	224.0	630.7	300.6	67.6	65.4
	III	1 572.1	1 239.8	27.5	3.4	3.7	2.3	685.9	537.3	292.7	173.0	253.3	171.6	93.3	130.8	261.4	158.0	37.6	32.3
XVII. TOTAL WORLD	1952-I-II	5 275.7	3 749.2	264.0	125.9	28.5	15.0	2 433.6	1 948.5	1 171.6	1 073.1	1 246.2	1 300.6	627.7	517.5	1 185.9	701.5	177.0	112.9
	III-IV	4 407.8	3 346.2	210.9	151.4	27.5	24.5	1 890.8	1 855.3	1 084.3	1 015.2	1 213.8	1 133.8	577.3	582.7	1 124.8	669.1	169.4	123.6
	1953-I-II	4 689.6	3 489.8	245.5	143.4	28.5	16.2	2 074.2	1 923.7	1 121.7	997.1	1 182.8	1 106.4	566.0	574.1	1 226.0	683.0	147.5	96.1
	III-IV	4 611.3	3 685.7	257.1	168.3	39.3	26.9	1 863.7	1 841.2	1 251.0	1 106.2	1 239.4	1 138.8	616.8	630.5	1 166.9	779.0	182.9	122.4
	1954-I-II	4 635.7	3 737.3	251.6	135.3	31.7	24.4	2 181.6	2 045.8	1 316.4	1 118.5	1 257.2	1 106.1	625.4	573.5	1 236.8	770.1	156.3	116.7
	III	2 335.8	1 841.5	116.3	85.8	17.2	10.8	981.3	957.9	722.4	576.5	632.8	538.7	319.9	308.3	537.9	387.2	93.3	57.6
XVIII. DOLLAR AREA (United States, Canada, Latin American dollar countries and the Philippines)	1952-I-II	1 179.2	430.7	55.4	5.5	6.1	5.3	412.7	117.2	233.5	87.4	300.4	133.5	150.9	98.5	338.3	83.4	32.0	106.0
	III-IV	835.7	482.4	36.7	4.3	6.3	4.8	228.7	118.5	163.4	96.3	225.2	146.8	126.4	131.7	246.6	110.5	26.0	21.3
	1953-I-II	827.3	532.2	29.7	3.6	8.5	3.7	264.1	158.1	159.9	112.8	194.4	175.2	111.2	131.2	219.6	93.5	21.0	19.6
	III-IV	943.5	519.2	40.4	3.9	11.4	3.5	216.9	135.3	176.3	124.5	183.5	149.2	114.5	141.7	169.7	110.6	16.6	23.5
	1954-I-II	758.8	483.2	21.2	2.7	7.4	5.4	233.2	123.3	207.6	116.4	198.1	134.8	120.3	102.2	168.5	90.9	13.1	16.6
	III	447.7	225.3	11.3	2.3	3.2	1.9	117.2	65.1	119.1	60.1	97.4	69.7	58.1	61.0	81.5	51.9	10.8	7.7

^a Imports are general imports, and exports exclude re-exports. ^b Excluding non-monetary gold; see Appendix B. ^c Trade by country of purchase and sale for 1955

EUROPEAN COUNTRIES AND THE UNITED STATES ORIGIN AND DESTINATION

Imports c.i.f., exports f.o.b.

Greece, Spain and Turkey		Yugo- slavia		Denmark		Sweden		Norway		Finland		Western Germany		Austria ^c		Total of nineteen countries		United States		Year and quarters	Origin and destina- tion		
Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp. ^d	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp. ^e	Exp. ^f				
102.1	54.9	43.2	15.7	53.6	12.2	94.3	40.7	57.4	22.6	39.5	17.3	348.2	110.5	80.3	13.0	2 540.2	876.2			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	X		
106.8	66.8	28.8	20.4	26.1	17.7	70.4	46.6	40.1	21.4	21.5	20.4	248.1	139.7	38.9	12.9	1 652.1	998.6						
184.9	67.2	85.1	14.9	22.8	19.4	71.0	51.8	43.8	30.3	14.8	22.0	210.1	143.8	47.2	16.2	1 715.8	1 080.8						
196.8	80.2	50.7	11.3	21.9	23.6	55.9	47.5	33.9	28.1	13.6	18.8	184.4	153.9	22.6	15.4	1 484.5	1 091.8						
117.3	(43.6)	46.7	10.4	23.4	27.9	68.9	39.5	38.6	28.5	9.2	18.4	248.6	135.2	30.9	12.7	1 642.0	913.8			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	X		
157.7	(19.6)	22.7	5.2	13.6	14.4	32.7	17.5	22.0	10.0	9.1	9.3	116.8	76.6	11.1	8.0	864.8	470.2						
2.7	1.4	0.6	—	3.9	0.7	7.9	4.0	18.6	1.4	2.0	—	25.6	9.2	1.7	0.6	692.4	214.4	1 151.4	1 338.9			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XI
2.6	2.1	15.8	—	0.5	1.1	7.4	4.0	19.9	2.1	1.3	0.1	99.1	13.3	5.2	1.8	751.9	274.9	1 216.5	1 371.3				
3.9	1.6	9.2	—	0.2	1.0	2.2	5.0	21.1	1.1	0.8	0.3	41.4	13.6	1.9	1.4	544.7	306.0	1 224.8	1 565.8	I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XI		
14.3	1.7	—	—	0.3	1.5	2.4	4.3	17.8	1.2	0.5	0.4	69.6	16.6	3.3	1.4	739.6	294.5	1 230.4	1 376.3				
(2.7)	(2.4)	—	0.1	0.2	1.1	1.5	4.0	18.8	1.0	0.9	0.3	30.6	17.2	2.7	1.4	483.3	262.1	1 148.2	1 387.8			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XI
(2.0)	(1.2)	0.1	—	0.1	1.2	1.0	2.3	10.7	0.4	1.2	0.2	30.3	12.9	0.8	0.6	291.9	128.2	612.3	632.6				
16.4	11.0	2.4	3.5	20.8	18.9	84.0	80.6	17.9	25.8	25.5	37.1	190.7	195.4	16.3	17.2	1 109.7	985.2	1 716.0	1 823.9	I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XII		
32.5	16.8	1.2	0.9	15.4	20.8	64.6	37.0	16.6	20.3	20.8	14.1	143.3	214.5	11.8	9.3	877.5	808.8	1 740.7	1 519.5				
43.6	15.8	2.3	0.8	17.3	19.4	67.6	41.3	23.0	11.2	20.4	7.5	141.0	182.0	18.0	6.8	1 048.7	721.0	1 818.3	1 423.6			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XII
38.0	22.5	2.1	2.1	22.4	16.0	68.0	72.9	14.6	12.3	19.4	10.7	209.5	248.9	13.5	14.6	1 157.3	903.9	1 601.2	1 492.0				
13.5	(26.5)	2.6	4.5	34.9	24.0	63.6	54.5	19.6	15.8	25.6	13.9	236.5	235.2	9.7	13.7	1 192.2	899.1	1 821.1	1 533.4	I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XII		
14.6	(10.3)	2.5	1.7	12.5	12.0	38.5	31.7	8.7	7.9	18.9	8.3	137.2	128.9	5.3	6.2	624.6	470.3	726.9	787.5				
38.2	8.2	13.4	0.9	2.4	8.1	57.9	58.9	13.9	25.8	11.4	11.9	228.4	134.5	1.4	5.1	3 141.4	2 394.3	788.3	715.4			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XIII
31.2	16.4	4.5	0.8	3.0	10.5	45.8	33.9	12.5	13.6	7.9	5.6	218.6	127.7	1.8	5.4	2 937.1	1 930.7	599.5	411.4				
25.4	5.3	6.9	0.7	3.9	11.4	47.5	35.6	14.4	15.8	4.6	5.7	246.5	136.9	13.7	7.1	3 329.3	2 049.4	609.2	414.8	I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XIII		
24.9	8.9	6.0	0.4	3.4	10.3	46.2	39.7	11.6	20.0	4.9	7.8	204.6	184.8	13.4	11.5	2 957.0	2 318.2	494.7	428.9				
32.1	(5.3)	6.7	0.8	5.8	10.9	54.7	42.2	12.3	22.0	7.2	7.6	242.1	182.0	13.6	14.0	3 405.7	2 372.9	544.2	437.6			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XIII
11.7	(2.6)	4.4	0.8	2.3	5.6	20.8	23.8	5.1	10.4	4.1	4.6	129.7	100.9	7.7	7.5	1 470.2	1 210.1	234.6	215.5				
44.9	38.4	0.6	0.3	3.8	7.7	37.6	10.7	12.1	2.2	8.0	1.5	83.9	27.8	1.2	1.7	1 189.7	1 276.0	220.3	190.6	I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XIV		
38.4	25.9	0.5	0.4	2.8	3.9	38.3	8.3	15.0	1.8	8.3	1.6	65.7	33.1	0.6	1.5	1 051.1	1 163.4	183.1	143.4				
41.2	29.5	0.4	1.1	3.3	5.8	35.8	6.8	10.7	2.9	2.6	1.0	77.9	30.1	1.4	4.2	1 127.9	1 126.5	191.3	152.4			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XIV
39.7	31.8	—	0.8	2.0	6.2	29.3	9.4	10.2	2.2	1.9	1.9	72.9	41.1	2.1	5.8	1 025.2	1 085.7	208.3	142.8				
46.1	(23.4)	0.7	1.0	3.3	6.7	27.7	9.3	10.4	3.0	1.6	1.8	77.9	47.0	2.6	5.3	1 216.0	1 178.8	247.2	154.4	I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XIV		
22.7	(11.7)	0.4	0.7	1.6	2.9	11.2	4.6	4.6	1.1	1.4	0.8	36.9	24.0	0.9	2.0	537.2	523.1	82.2	70.2				
32.4	28.6	1.9	7.7	5.4	9.1	25.3	28.3	9.5	12.7	6.4	8.3	103.9	90.0	3.5	9.1	952.6	746.7	572.4	861.0			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XV
51.9	25.3	4.7	2.1	2.6	7.7	17.8	20.3	9.6	13.4	4.1	13.8	104.2	115.7	1.7	8.0	738.0	712.3	520.4	747.2				
53.9	34.9	0.8	3.1	9.1	8.4	24.2	28.6	9.1	9.5	6.8	7.2	137.3	125.5	4.1	8.7	790.4	740.5	574.7	800.9	I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XV		
57.1	46.3	2.8	4.4	2.5	10.5	19.3	31.1	9.1	10.4	5.6	16.7	150.1	166.8	4.8	10.8	782.5	821.3	520.0	863.0				
(48.0)	(29.4)	2.4	3.7	8.1	8.7	25.9	21.7	10.1	7.5	8.9	7.1	151.7	192.6	6.3	12.3	834.2	798.9	508.1	909.0			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XV
(26.3)	(8.6)	1.0	2.8	4.0	3.1	10.2	10.9	4.1	4.7	2.7	7.0	73.7	102.9	2.9	5.4	399.3	382.4	260.5	353.5				
256.7	142.5	62.1	28.1	89.9	56.7	307.0	223.2	129.4	90.5	92.8	76.1	980.7	567.4	104.4	46.7	9 626.0	6 492.8	4 448.4	4 929.8	I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XVI		
263.4	153.3	55.5	24.6	50.4	61.7	244.3	150.1	113.7	72.6	63.9	55.6	879.0	644.0	60.0	38.9	8 007.7	5 888.7	4 260.2	4 192.8				
252.9	154.3	104.7	20.6	56.6	65.4	248.3	169.1	122.1	70.8	50.0	43.7	854.2	631.9	86.3	44.4	8 556.8	6 024.2	4 418.3	4 357.5			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XVI
270.8	191.4	61.6	19.0	52.5	68.1	221.1	204.9	97.2	74.2	45.9	56.3	891.1	812.1	59.7	59.5	8 146.1	6 515.4	4 054.6	4 303.0				
279.7	(130.6)	59.1	20.5	75.7	79.3	242.3	171.2	109.8	77.8	53.4	49.1	987.4	809.2	65.8	59.4	8 773.4	6 425.6	4 268.8	4 422.2	I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XVI		
135.0	(54.0)	31.1	11.2	34.1	39.2	114.4	90.8	55.2	34.5	37.4	30.2	524.6	446.2	28.7	29.7	4 188.0	3 184.3	1 916.5	2 059.3				
671.2	457.4	178.0	150.7	492.9	409.3	903.5	818.8	440.0	303.3	444.6	330.8	1 878.4	1 923.7	366.9	246.6	17 785.7	14 184.8	5 424.1	6 844.7			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XVII
749.8	428.6	195.0	95.6	462.9	429.8	825.3	743.6	432.9	262.5	346.9	350.7	1 975.7	2 113.6	284.8	260.4	15 979.9	13 586.6	5 320.6	5 582.0				
694.3	525.4	227.0	85.9	482.3	429.9	774.6	670.1	465.1	247.5	264.9	237.9	1 814.0	2 019.1	285.5	248.4	16 289.5	13 494.0	5 567.0	5 786.9	I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XVII		
773.1	485.3	167.2	98.7	513.1	452.6	802.1	806.8	447.0	261.1	264.9	334.2	1 990.3	2 379.8	260.1	289.3	16 446.2	14 606.8	5 212.1	5 689.0				
733.2	(462.3)	167.5	106.5	556.5	459.8	847.6	734.9	489.1	284.7	287.7	278.1	2 067.9	2 406.0	287.7	290.1	17 129.9	14 650.1	5 279.4	5 963.9			I-II-1952 III-IV I-II-1953 III-IV I-II-1954 III	XVII
352.2	(197.5)	73.1	60.4	292.0	230.5	429.1	403.0	238.1	141.7	165.0	204.8	1 142.0	1 329.9	154.3	154.8	8 602.7	7 486.9	2 423.2	2 755.0				
113.8	64.1	43.8	15.7	58.8	17.1	123.5	62.2	82.6	34.1	45.6	19.0	443.3	171.3	84.0	15.8	3 703.9	1 466.8	2 355.7	2 692.7	I-II-1952 III-IV I-II-1953 III-			

Area of destination	United Kingdom ^e				France ^b				Western Germany				Other western European countries ^c				Total of nineteen western European countries				United States ^f			
	1952 I-III	1953 I-III	1954 I-III	1954 I-III	1952 I-III	1953 I-III	1954 I-III	1954 I-III	1952 I-III	1953 I-III	1954 I-III	1954 I-III	1952 I-III	1953 I-III	1954 I-III	1954 I-III	1952 I-III	1953 I-III	1954 I-III	1952 I-III	1953 I-III	1954 I-III	1954 I-III	
XII. Latin American Republics .	331.9	216.3	231.9		136.0	164.9	179.7		297.1	285.8	364.1		610.1	442.2	593.7		1375.1	1109.2	1369.4	2574.9	2125.6	2320.9		
Argentina	47.9	24.1	45.1		33.7	11.4	29.4		50.5	69.2	58.6		146.7	64.6	94.3		278.8	169.3	227.4	117.5	75.2	81.0		
Brazil	125.0	38.1	17.1		53.1	72.8	56.9		129.0	64.6	102.2		210.2	113.4	192.7		517.3	217.3	368.9	478.2	214.2	346.0		
Chile	16.9	9.5	7.5		3.4	4.1	12.2		14.1	17.8	18.3		15.1	14.4	20.7		49.5	45.8	58.7	95.7	63.2	48.9		
Colombia	13.7	16.5	19.2		7.3	26.5	18.5		14.2	23.0	37.3		26.3	36.6	44.4		61.5	102.6	119.4	170.4	203.8	243.6		
Cuba	12.0	8.4	8.6		3.2	5.3	4.0		7.6	7.7	10.5		32.3	28.3	25.1		55.1	49.7	48.2	387.1	313.1	308.0		
Mexico	14.5	14.1	12.1		9.5	10.1	8.9		13.5	22.9	22.9		39.1	39.6	39.9		76.6	86.7	83.8	500.6	453.4	467.2		
Peru	16.5	14.8	13.7		2.3	3.3	7.9		9.7	11.0	11.1		18.3	20.0	19.6		46.8	49.1	52.3	93.0	92.4	68.7		
Uruguay	18.8	14.1	27.8		5.9	10.8	13.7		17.6	15.4	17.9		24.9	17.1	29.4		59.6	57.4	88.8	31.4	16.7	26.0		
Venezuela	36.7	45.9	47.6		11.2	12.4	16.7		17.0	23.3	38.9		48.5	54.2	73.6		114.0	135.8	176.8	376.2	370.5	386.1		
Other Latin America	29.9	30.8	33.2		6.4	8.2	11.5		30.9	30.9	46.4		48.7	54.0	54.0		115.9	123.9	145.1	324.8	323.1	345.3		
XIII. Overseas sterling area (including British colonies)	2423.6	2282.2	2546.8		104.3	97.8	113.2		193.1	222.4	282.9		586.4	532.9	640.1		3307.4	3135.3	3583.0	900.2	620.4	653.1		
Africa :																								
British East Africa	104.9	115.2	127.1		6.1	4.6	7.4		9.5	5.2	11.6		19.3	15.5	22.9		139.8	140.5	169.0	6.8	9.5	4.2		
British West Africa	199.0	200.1	189.6		3.7	4.6	4.6		13.5	17.8	26.1		36.6	42.0	47.8		252.8	264.5	268.1	15.9	13.3	10.0		
Northern and Southern Rhodesia	90.8	95.0	96.3		19.5	15.4	15.7		4.5	1.1	2.0		9.3	1.7	3.8		104.6	97.8	102.1	8.8	6.5	8.0		
Union of South Africa	301.2	335.8	332.8						33.5	49.9	47.2		83.6	86.6	93.4		437.8	487.7	489.1	169.4	163.5	173.7		
Asia :																								
Bahrain, Kuwait, Qatar & Tr. Oman	34.5	58.6	46.9		2.8	1.3	0.7		1.6	2.4	3.1		11.3	12.2	11.8		50.2	74.5	62.5	16.8	18.3	17.3		
Burma	31.2	38.8	47.8		0.4	0.6	0.8		1.4	3.1	10.5		7.1	11.5	16.0		40.1	54.0	75.1	4.3	5.2	2.3		
Ceylon	55.2	51.0	41.2		2.2	2.8	5.5		2.5	4.8	3.1		12.2	16.3	13.5		72.1	74.9	63.3	18.4	5.5	4.4		
Hong Kong	58.2	56.7	50.0		7.1	6.4	3.9		10.7	23.3	15.0		32.0	30.9	32.3		108.0	117.3	101.2	18.7	25.5	32.2		
India	241.4	236.7	249.4		21.4	19.6	25.8		39.4	44.7	57.3		83.1	92.1	108.0		385.3	393.1	440.5	341.2	121.6	118.7		
Iraq	47.1	61.3	52.8		1.7	4.6	2.6		3.0	6.6	11.4		16.7	17.2	20.7		68.5	89.7	87.5	16.8	14.0	20.5		
Malaya and Singapore	175.1	151.4	137.4		6.0	5.7	7.6		17.1	11.0	11.2		42.0	40.6	48.8		240.2	208.7	205.0	27.8	18.3	21.6		
Pakistan	126.9	53.3	103.8		8.6	7.4	15.5		12.0	14.5	19.7		58.0	32.0	34.9		205.5	107.2	173.9	35.0	53.0	23.8		
Oceania :																								
Australia	500.9	417.8	590.4		16.0	16.9	16.0		31.4	25.3	43.6		95.9	68.1	109.0		644.2	528.1	759.0	131.2	85.8	131.2		
New Zealand	261.2	193.0	262.6		5.6	4.5	3.4		3.7	3.9	9.5		27.1	16.3	19.7		297.6	217.7	295.2	32.9	23.0	31.7		
Other overseas sterling area	196.0	217.5	218.7		3.2	3.4	3.7		9.3	8.8	11.6		52.2	49.9	57.5		260.7	279.6	291.5	56.2	57.4	53.5		
XIV. Affiliated overseas areas (excluding the sterling area)	113.0	107.7	114.2		1286.7	1082.4	1147.7		44.2	48.6	71.0		374.5	362.1	369.0		1818.4	1600.8	1701.9	260.3	224.6	224.6		
Belgian Congo and Ruanda Urundi	22.7	15.6	17.0		6.8	8.2	8.0		9.4	9.1	15.0		124.3	121.2	118.5		163.2	154.1	158.5	53.1	44.8	36.8		
Netherlands Antilles and Surinam	13.6	12.1	21.4		1.0	1.6	1.0		1.5	1.8	2.3		21.0	21.1	21.2		37.1	36.6	45.9	75.5	70.2	52.9		
French North Africa	22.4	21.1	20.7		668.8	568.4	606.0		14.7	14.7	18.1		59.3	64.0	68.0		765.2	668.2	712.8	54.3	38.9	44.5		
French West and Equatorial Africa	14.0	14.6	16.9		233.5	189.5	240.3		5.5	7.0	11.5		24.2	22.2	23.7		277.2	233.3	292.4	16.7	10.8	13.9		
Indochina	3.8	7.0	2.8		244.1	200.2	164.4		1.6	2.0	1.2		9.5	7.1	5.6		259.0	216.3	174.0	28.7	27.8	41.9		
Portuguese overseas territories	22.2	19.1	21.4		7.1	4.7	5.4		7.3	9.3	16.3		59.9	56.0	63.0		96.5	89.1	106.1	17.0	18.6	22.4		
Spanish overseas territories	8.0	11.6	9.0		2.6	3.4	3.9		1.8	2.2	3.7		59.8	46.9	45.2		72.2	64.1	61.8	3.5	4.5	4.3		
Other affiliated overseas territories	6.3	6.6	5.0		122.8	106.4	118.7		2.4	2.5	2.9		16.5	23.6	23.8		148.0	139.1	150.4	11.5	9.0	7.9		
XV. Other overseas countries	302.1	281.3	272.9		124.1	140.7	152.5		145.1	200.9	295.4		521.2	512.6	460.4		1092.5	1135.5	1181.2	1203.8	1211.8	1262.5		
China (including Taiwan)	6.8	15.1	16.0		1.1	11.8	7.5		1.6	20.5	17.3		19.8	37.8	24.6		29.3	85.2	65.4	44.8	58.4	73.0		
Egypt	74.6	42.2	45.3		40.7	44.7	40.3		28.4	41.2	33.3		107.9	91.9	90.1		251.6	220.0	209.0	56.6	50.1	28.5		
Indonesia	34.4	28.9	21.2		4.2	4.1	6.0		34.6	30.9	31.4		140.6	103.5	83.3		213.8	167.4	141.9	97.3	79.8	56.7		
Iran	11.4	10.1	16.4		2.3	3.3	4.9		15.6	18.8	35.7		14.5	17.5	19.4		43.8	49.7	76.4	13.0	15.5	36.0		
Israel	18.1	17.3	14.2		10.2	3.8	3.9		4.1	6.4	38.4		43.5	50.1	34.8		75.9	77.6	91.3	68.1	52.4	55.4		
Japan	17.2	37.1	26.7		4.3	18.1	13.8		16.5	25.6	32.2		43.3	68.8	63.3		81.3	149.6	136.0	461.9	446.8	542.4		
Liberia	13.1	17.2	18.8		0.1	—	—		0.8	6.8	36.8		7.3	3.4	3.9		21.3	27.4	78.4	19.0	12.4	56.7		
Philippines	4.6	4.4	7.1		1.0	1.6	2.7		2.7	3.0	6.5		9.1	11.0	14.4		17.4	20.0	30.7	208.8	263.9	233.0		
Saudi Arabia	16.3	11.8	12.7		7.0	4.7	3.0		3.5	2.4	6.0		12.0	12.6	12.3		38.8	31.5	34.0	75.1	64.8	32.3		
Sudan, Anglo-Egyptian	42.3	36.8	31.1		3.0	3.2	4.5		4.0	5.1	4.1		21.2	9.3	10.5		7							

Table XXXII.—EXPORTS OF TEN WESTERN EUROPEAN COUNTRIES AND THE UNITED STATES BY COMMODITY GROUPS
Millions of current dollars, f.o.b., quarters and half-yearly totals

Exporting country Commodity groups	UNITED KINGDOM			FRANCE			WESTERN GERMANY			ITALY			BELGIUM-LUXEMBOURG			NETHERLANDS								
	1953	III- II	I- III	1954	1953	III- II	I- III	1954	1953	III- II	I- III	1954	1953	III- II	I- III	1954	1953	III- II	I- III					
1. Food, drink and tobacco of which:	203.5	232.9	220.9	115.8	222.3	228.5	289.3	130.6	45.3	56.4	53.6	23.1	163.3	191.8	180.3	101.4	45.8	57.8	42.8	20.8	337.0	379.3	357.5	184.3
Live animals and meat . .	..	..	..	..	13.7	16.3	28.4	11.6	..	..	..	..	..	..	..	..	..	..	..	..	62.9	55.2	68.3	30.5
Dairy products	..	..	..	..	15.2	14.4	15.1	7.8	..	..	..	..	..	..	..	..	..	..	..	..	124.7	147.1	122.2	70.0
Cereals and preparations .	12.7	13.9	15.7	10.2	38.0	30.9	68.5	24.1	..	..	..	..	36.4	19.7	23.9	11.0	..	..	..	..	16.4	18.0	14.9	6.1
Fruits	..	..	..	..	8.9	21.2	8.7	5.8	..	..	..	..	60.3	93.8	76.1	43.5	..	..	..	..	10.4	19.2	12.6	8.7
Vegetables	..	..	..	..	17.0	17.8	17.2	6.9	..	..	..	..	34.8	36.1	44.6	28.3	..	..	..	..	45.1	45.4	41.3	20.5
Beverages	59.1	67.5	63.2	30.4	69.9	71.5	70.7	31.7	..	..	..	..	11.5	12.8	12.9	6.1	..	..	..	..	7.5	7.7	7.7	4.5
2. Mineral fuels and petroleum products	200.3	213.4	217.0	104.8	177.8	171.0	156.6	85.3	236.7	249.7	242.0	148.8	63.6	82.2	67.2	30.0	67.8	75.6	65.0	35.6	89.2	99.5	127.7	59.4
3. Metallic ores & base metals of which: Ores and scrap . .	275.9	276.7	272.7	134.7	315.7	277.5	281.1	145.0	216.5	266.5	242.9	128.6	32.7	27.3	23.4	16.5	378.2	335.8	336.2	166.8	87.8	77.5	79.3	41.0
Iron and steel	189.0	189.0	193.1	94.4	261.1	216.5	216.8	113.2	145.5	189.5	171.1	93.1	18.6	17.4	12.0	10.1	265.0	232.5	227.5	118.0	..	..	..	..
4. Oil-seeds, fats and oils . .	10.6	8.0	8.1	6.8	17.1	7.0	8.3	3.5	7.1	7.7	9.5	5.1	5.3	4.9	6.0	1.9	11.3	9.6	9.1	3.9	20.0	21.6	27.9	11.8
5. Textile fibres, natural . . .	96.7	100.2	104.7	46.1	75.4	58.1	72.5	34.0	10.2	12.9	12.4	5.9	14.0	13.2	13.7	7.2	68.8	64.6	66.2	25.4	16.7	16.8	18.2	9.4
6. Selected construction materials	61.9	61.5	62.1	29.7	29.9	28.3	27.5	13.3	42.4	48.0	37.2	21.3	4.8	5.1	4.1	2.3	38.3	42.3	40.5	21.5	8.3	10.5	9.2	5.4
7. Other raw materials . . .	21.4	21.5	24.2	10.7	60.6	55.3	65.5	30.8	25.7	31.0	34.0	18.3	24.1	23.6	25.2	11.4	19.2	21.2	18.8	9.6	29.7	53.9	33.2	33.6
8. Metal manufactures . . .	194.1	215.4	202.5	115.7	57.8	52.6	57.0	23.9	104.5	123.1	126.3	69.1	17.1	16.2	19.8	9.6	58.3	56.1	45.2	22.9	23.3	20.6	19.8	9.2
9. Power generating (except electric) machinery . . .	105.1	107.5	118.6	54.7	21.7	20.1	21.1	8.5	55.5	63.4	63.8	26.2	11.4	12.4	16.5	7.6	5.9	7.1	6.0	2.8	7.9	6.8	7.4	3.3
10. Agricultural machinery . .	22.8	19.6	24.1	12.0	7.8	4.3	8.1	2.4	17.6	12.9	20.7	9.1	0.8	0.9	0.6	0.3	1.4	1.2	2.0	1.0	0.6	0.6	1.1	0.3
11. Metal-working, mining, con- struction and other indus- trial machinery	373.7	364.2	381.4	175.3	106.7	95.7	95.5	45.1	362.2	405.8	388.6	205.3	48.6	48.7	47.5	20.9	39.1	33.5	35.8	17.2	23.9	25.7	28.5	15.8
12. Electric machinery . . .	243.0	239.4	247.5	114.8	61.1	54.8	73.6	29.2	121.8	154.0	167.4	94.7	14.8	21.6	21.3	7.3	30.5	35.8	32.2	14.1	60.1	66.0	75.4	37.6
13. Tractors, other than steam	61.9	56.7	69.5	36.1	4.1	5.9	6.6	2.5	28.3	22.3	24.5	15.1	11.1	6.2	3.6	1.9	—	0.2	0.1	—	0.1	0.2	0.2	0.1
14. Railway vehicles	57.1	61.9	67.8	29.2	18.1	20.4	23.3	7.6	23.3	37.0	30.1	14.4	5.9	5.0	7.8	2.3	14.3	22.8	22.7	8.4	12.9	12.8	13.7	4.2
15. Road motor vehicles . . .	308.7	310.2	359.2	171.4	93.3	83.2	118.8	44.7	121.7	140.8	178.4	104.2	37.3	33.1	39.9	22.3	12.9	14.4	17.7	7.2	7.6	5.8	7.4	3.7
16. Other vehicles	143.8	161.3	140.7	71.9	19.0	20.8	35.6	14.6	39.0	67.5	68.3	45.6	5.2	14.7	15.6	3.2	6.9	27.7	20.2	11.2	44.3	59.9	54.8	25.3
17. Chemicals	238.9	257.8	277.0	145.5	140.2	143.5	160.6	83.1	217.6	259.6	283.3	152.8	42.9	48.5	56.1	29.5	78.0	81.4	87.7	43.0	74.3	74.6	84.3	37.8
18. Textile manufactures and clothing	482.3	534.1	517.7	251.2	248.3	259.8	271.3	128.6	114.4	148.9	153.9	86.6	144.5	184.4	162.5	80.7	143.3	159.5	158.7	77.5	99.7	112.2	110.1	55.5
of which:	90.0	94.7	93.9	44.4	67.8	70.0	77.4	37.0	25.0	32.5	33.0	18.8	35.6	53.1	50.4	23.1	53.7	57.5	57.5	27.6	23.1	27.0	27.0	14.0
Textile yarns (incl. synthet.)	121.0	125.2	124.8	54.0	69.9	66.8	72.6	31.1	31.4	35.0	33.9	15.5	17.5	29.3	19.1	8.0	21.5	22.7	24.5	11.2	29.5	33.9	31.9	14.6
Cotton fabrics	228.6	261.5	255.8	121.4	91.7	99.2	98.9	48.1	47.0	63.7	67.6	38.9	66.2	87.3	73.6	38.4	59.4	64.5	67.4	30.8	33.6	36.5	38.3	19.2
Other fabrics	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
19. Paper, manufactures of wood and paper (exclud- ing furniture)	42.1	45.7	49.7	24.5	34.6	35.7	42.9	19.5	15.7	20.1	24.7	13.5	8.2	7.1	8.3	4.4	9.2	9.8	11.3	5.5	17.9	20.8	23.0	11.7
20. All other commodities . .	371.6	426.3	399.1	205.7	222.6	227.2	238.6	110.1	199.4	256.6	247.8	149.0	38.8	47.0	61.4	30.2	79.2	84.0	92.2	47.5	48.2	53.5	54.6	34.3
of which:	21.9	24.3	26.8	13.5	..	..	..	..	65.9	77.1	74.8	42.8	..	..	..	..	..	..	..	..	..	..	..	..
Instruments and watches .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL EXPORTS	3515.4	3714.3	3764.5	1856.6	1934.1	1849.7	2053.8	962.3	2004.9	2384.2	2409.4	1336.7	694.4	793.9	780.8	390.9	1108.4	1140.4	1110.4	541.9	1009.5	1118.6	1133.3	583.7

Commodity groups	Exporting country	NORWAY			SWEDEN			DENMARK			AUSTRIA			TOTAL OF COUNTRIES LISTED ^a						UNITED STATES ^b																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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		I- II	III- IV	I- II III	I- II	III- IV	I- II III	I- II	III- IV	I- II III	I- II	III- IV	I- II III	I- II	III- IV	I- II III	I- II	III- IV	I- II III	I- II	III- IV	I- II	III																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
1. Food, drink and tobacco of which : Live animals and meat . . Dairy products Cereals and preparations . . Fruits and vegetables . . . 2. Mineral fuels and petroleum products 3. Metallic ores & base metals of which : Ores and scrap Iron and steel 4. Oil-seeds, fats and oils . . 5. Textile fibres, natural . . 6. Selected construction materials 7. Other raw materials . . . 8. Metal manufactures . . . 9. Power generating (except electric) machinery . . . 10. Agricultural machinery . . 11. Metal-working, mining, con- struction and other indus- trial machinery 12. Electric machinery 13. Tractors, other than steam 14. Railway vehicles 15. Road motor vehicles . . . 16. Other vehicles 17. Chemicals 18. Textile manufactures and clothing of which : Cotton fabrics 19. Paper, manufactures of wood and paper (exclud- ing furniture) 20. All other commodities . .	50.1	52.1	66.8	30.1	33.5	46.8	44.0	21.5	313.3	334.2	328.1	167.8	2.4	9.7	11.9	4.3	1416.5	1589.5	1595.2	799.7	1026.7	1025.5	823.6 (390)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								

27 Including their trade with one another.

^b Excluding special categories. Figures for the third quarter of 1954 are estimates based on incomplete rearrangement of the national nomenclature.

Source: See Appendix B.

Table XXXIII

IMPORTS OF WHEAT (UNMILLED) INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN

Quantities in thousands of tons, values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	IMPORTING COUNTRY															
		United Kingdom		France		Western Germany		Italy		Belgium-Luxembourg		Netherlands		Sweden		Total of countries listed	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States . .	1951/52	669	67.7	380	45.3	1 629	151.0	563	51.5	357	28.6	468	41.8	48	4.7	4 114	390.6
	1952/53	514	42.5	76	9.1	1 168	98.3	506	47.1	236	16.8	277	22.9	107	10.5	2 884	247.2
	1953/54	71	6.2	..	..	653	49.3	106	8.7	98	6.7	207	16.1	—	—	1 135	87.0
Canada	1951/52	2 808	254.9	125	15.4	266	22.5	460	41.6	371	28.4	240	20.4	47	4.6	4 317	387.8
	1952/53	2 932	235.4	83	8.8	751	63.3	258	22.5	462	31.7	368	29.7	32	3.2	4 886	394.6
	1953/54	2 208	181.0	15	1.2	555	47.9	118	9.4	368	25.6	331	26.7	—	—	3 595	291.8
Total of dollar area ^a	1951/52	3 477	322.6	505	60.7	1 895	173.5	1 023	93.1	728	57.0	708	62.2	95	9.3	8 431	778.4
	1952/53	3 446	277.9	159	17.9	1 919	161.6	764	69.6	698	48.5	645	52.6	139	13.7	7 770	641.8
	1953/54	2 280	187.2	16	1.3	1 208	97.2	224	18.1	466	32.3	538	42.8	—	—	4 732	378.9
Non-dollar Latin America	1951/52	..	..	47	6.3	33	4.4	205	20.7	4	0.3	—	—	10	1.1	299	32.8
	1952/53	—	—	—	—	—	—	51	5.6	—	—	—	—	—	—	51	5.6
	1953/54	342	26.8	1	0.1	322	24.3	221	23.1	129	9.0	95	7.4	—	..	1 110	90.7
Overseas sterling area	1951/52	490	43.9	..	..	182	17.9	285	25.9	—	—	65	5.6	42	3.7	1 064	97.0
	1952/53	542	44.9	—	—	63	5.4	15	1.2	—	—	73	6.0	9	0.8	702	58.3
	1953/54	362	28.9	..	..	88	7.0	33	3.1	—	—	19	1.6	21	1.8	523	42.4
Affiliated overseas areas ^b	1951/52	..	..	40	5.3	—	—	—	—	—	—	—	—	..	..	40	5.3
	1952/53	—	—	196	27.6	—	—	—	—	—	—	—	—	—	—	196	27.6
	1953/54	..	—	240	34.3	..	..	—	—	—	—	—	—	—	..	240	34.3
Other overseas countries	1951/52	..	..	..	..	—	—	—	—	—	—	—	—	..	..	..	..
	1952/53	—	—	5	0.8	19	2.1	35	3.8	—	—	—	—	—	—	59	6.7
	1953/54	22	2.2	2	0.2	58	5.9	22	2.3	6	0.5	3	0.3	—	..	113	11.4
Western Europe . .	1951/52	12	1.3	79	11.7	90	8.7	46	4.6	—	—	4	0.3	..	..	231	26.6
	1952/53	22	2.3	45	6.6	225	19.0	207	24.1	2	0.3	19	1.8	—	—	520	54.1
	1953/54	311	22.6	1	0.1	574	44.3	80	6.3	46	3.3	15	0.9	—	..	1 027	77.5
Eastern Europe . .	1951/52	218	27.5	..	..	43	5.3	161	18.2	—	—	13	1.6	89	11.3	524	63.9
	1952/53	—	—	—	—	62	6.7	100	12.3	—	—	54	6.1	84	10.8	300	35.9
	1953/54	49	3.6	..	..	135	12.7	24	2.6	100	6.9	163	15.4	9	0.8	480	42.0
Not allocated . .	1951/52	100	12.2	1	0.1	—	—	—	—	—	—	—	—	1	0.1	102	12.4
	1952/53	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	1953/54	2	—	1	0.1	1	0.1	—	—	—	—	—	—	—	0.1	4	0.3
Total	1951/52	4 297	407.5	672	84.1	2 243	209.8	1 720	162.5	732	57.3	790	69.7	237	25.5	10 691	1 016.4
	1952/53	4 010	325.1	405	52.9	2 288	194.8	1 172	116.6	700	48.8	791	66.5	232	25.3	9 598	830.0
	1953/54	3 368	271.3	261	36.1	2 386	191.5	604	55.5	747	52.0	833	68.4	30	2.7	8 229	677.5

Sources for Tables XXXIII to XLVII: Calculated from *Commodity Trade Statistics*, United Nations; *Foreign Trade Statistical Bulletin*, Series IV, O.E.E.C., Paris; and national trade statistics. For further details, see Appendix B.

^a Includes very small quantities imported from "other dollar countries".
^b Excluding the sterling area.

Table XXXIV

IMPORTS OF MAIZE (UNMILLED) INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN

Quantities in thousands of tons ; values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	IMPORTING COUNTRY															
		United Kingdom		France		Western Germany		Italy		Belgium-Luxembourg		Netherlands		Sweden		Total of countries listed	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States . .	1951/52	668.6	66.1	173.5	13.5	84.6	8.3	46.8	3.9	242.7	18.4	308.0	28.2	—	—	1 524.2	138.4
	1952/53	578.2	47.3	87.6	8.1	226.0	18.3	45.9	4.1	328.2	23.5	293.0	24.3	—	—	1 558.9	125.6
	1953/54	832.3	62.2	106.0	8.9	154.6	11.6	94.5	7.3	181.5	12.6	267.0	19.7	3.0	0.2	1 638.9	122.5
Canada	1951/52	..	..	0.1	..	—	—	—	—	1.3	0.1	9.6	0.9	—	—	11.0	1.0
	1952/53	12.6	1.0	0.1	—	—	—	—	—	2.4	0.2	—	—	—	—	15.1	1.2
	1953/54	53.0	4.1	..	..	—	—	..	..	7.2	0.5	3.5	0.3	..	..	63.7	4.9
Total of dollar area ^a	1951/52	668.6	66.1	173.6	13.5	84.6	8.3	46.8	3.9	244.3	18.5	317.6	29.1	—	—	1 535.5	139.4
	1952/53	590.8	48.3	87.7	8.1	237.5	19.2	45.9	4.1	330.6	23.7	293.0	24.3	—	—	1 585.5	127.7
	1953/54	885.3	66.3	106.0	8.9	154.6	11.6	95.5	7.4	188.7	13.1	270.5	20.0	3.0	0.2	1 703.6	127.5
Non-dollar Latin America	1951/52	165.9	19.2	293.9	30.9	59.0	6.5	—	—	69.5	5.7	14.6	1.4	96.4	13.2	699.3	76.9
	1952/53	117.9	11.0	289.1	31.5	—	—	5.0	0.4	44.2	3.2	19.6	1.8	13.6	1.3	489.4	49.2
	1953/54	433.9	33.7	85.1	6.4	188.3	13.2	97.6	7.9	149.5	10.2	135.0	10.2	21.5	1.8	1 110.9	83.4
Overseas sterling area	1951/52	7.0	0.6	9.7	1.1	108.1	12.6	0.2	—	0.8	0.1	0.2	—	0.4	—	126.4	14.4
	1952/53	87.1	8.7	4.2	0.5	7.9	1.0	—	—	8.7	0.9	5.4	0.6	—	—	113.3	11.7
	1953/54	57.6	4.2	..	..	52.0	3.8	14.7	1.1	20.0	1.4	16.5	1.2	15.0	1.2	175.8	12.9
Affiliated overseas areas ^b	1951/52	0.2	—	74.6	8.4	23.2	3.0	—	—	2.8	0.2	2.0	0.2	—	—	102.8	11.8
	1952/53	5.5	0.5	24.6	2.8	6.5	0.5	0.1	—	0.9	0.1	1.9	0.1	—	—	39.5	4.0
	1953/54	..	..	83.3	7.0	25.0	2.1	..	..	11.9	0.8	1.9	0.2	..	..	122.1	10.1
Other overseas countries	1951/52	59.5	6.5	12.2	1.4	8.3	0.9	15.1	1.3	16.7	1.3	29.5	2.8	16.2	1.7	157.5	15.9
	1952/53	11.7	1.0	21.8	2.4	1.8	0.2	0.6	—	0.1	—	0.6	0.1	—	—	36.6	3.7
	1953/54	0.1	..	13.5	1.3	2.0	0.2	4.1	0.4	3.7	0.3	2.4	0.3	..	..	25.8	2.5
Western Europe . .	1951/52	152.8	18.6	69.0	7.7	223.1	27.4	—	—	22.6	1.9	18.5	2.0	4.4	0.5	490.4	58.1
	1952/53	19.3	1.6	4.3	0.6	4.8	0.6	27.2	2.2	24.3	2.1	4.2	0.3	—	—	84.1	7.4
	1953/54	42.1	3.3	25.0	1.9	71.8	5.7	2.0	0.1	26.1	2.0	0.3	..	..	..	167.3	13.0
Eastern Europe . .	1951/52	253.6	28.9	..	..	22.4	2.7	—	—	0.2	—	3.0	0.3	30.0	3.2	309.2	35.1
	1952/53	54.3	5.1	9.9	0.9	4.9	0.4	—	—	4.0	0.3	—	—	3.0	0.3	76.1	7.0
	1953/54	16.0	1.3	..	..	5.8	0.5	6.0	0.4	5.1	0.4	7.6	0.6	10.0	0.8	50.5	4.0
Not allocated . .	1951/52	24.8	3.0	2.0	0.3	—	—	—	—	—	—	—	—	—	—	26.8	3.3
	1952/53	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	1953/54	1.0	0.1	1.0	0.2	—	—	0.3	0.1	—	—	—	0.1	1.0	0.1	3.3	0.6
Total	1951/52	1 332.4	142.9	635.0	63.3	528.7	61.4	62.1	5.2	356.9	27.7	385.4	35.8	147.4	18.6	3 447.9	354.9
	1952/53	886.6	76.2	441.6	46.8	263.4	21.9	78.8	6.7	412.8	30.3	324.7	27.2	16.6	1.6	2 424.5	210.7
	1953/54	1 436.0	108.9	313.9	25.7	499.5	37.1	220.2	17.4	405.0	28.2	434.2	32.6	50.5	4.1	3 359.3	254.0

Sources : See Table XXXIII.

^a Includes very small quantities imported from "other dollar countries".

^b Excluding the sterling area.

Table XXXV

IMPORTS OF SUGAR INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN

Quantities in thousands of tons ; values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	IMPORTING COUNTRY															
		United Kingdom		France		Western Germany		Italy		Belgium-Luxembourg		Netherlands		Sweden		Total of countries listed	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States . .	1951/52	156.4	9.1	..	..	0.8	0.2	0.1	—	..	..	..	..	—	—	157.3	9.3
	1952/53	98.0	4.3	—	—	—	—	0.2	—	1.3	—	7.5	0.8	—	—	107.0	5.1
	1953/54	122.5	2.9	—	..	0.1	..	..	..	..	..	7.0	0.2	..	—	129.6	3.1
Other dollar area	1951/52	1 518.4	193.2	114.5	19.0	225.3	33.1	32.4	4.1	121.0	12.0	346.9	45.8	10.1	0.2	2 368.6	307.4
	1952/53	929.9	87.7	149.0	22.9	103.3	10.6	2.2	0.3	63.4	7.6	179.6	16.7	25.8	2.6	1 453.2	148.4
	1953/54	1 394.3	108.0	64.9	7.6	120.3	10.9	2.4	0.4	55.3	5.2	165.2	12.6	27.0	2.7	1 829.4	147.4
Total of dollar area	1951/52	1 674.8	202.3	114.5	19.0	226.1	33.3	32.5	4.1	121.0	12.0	346.9	45.8	10.1	0.2	2 525.9	316.7
	1952/53	1 027.9	92.0	149.0	22.9	103.3	10.6	2.4	0.3	64.7	7.6	187.1	17.5	25.8	2.6	1 560.2	153.5
	1953/54	1 516.8	110.9	64.9	7.6	120.4	10.9	2.4	0.4	55.3	5.2	172.2	12.8	27.0	2.7	1 959.0	150.5
Non-dollar Latin America	1951/52	45.2	4.3	..	..	1.2	0.2	..	..	..	..	16.3	2.7	—	—	62.7	7.2
	1952/53	82.7	7.6	0.2	—	1.9	0.2	—	—	—	—	..	—	—	—	84.8	7.8
	1953/54	28.3	2.6	6.8	0.7	17.4	1.5	..	..	9.2	0.9	11.6	0.9	..	—	73.3	6.6
Overseas sterling area	1951/52	899.4	108.5	..	..	—	—	..	..	..	..	..	..	—	—	899.4	108.5
	1952/53	1 268.3	150.5	—	—	—	—	0.7	—	—	—	—	—	12.2	0.3	1 281.2	150.8
	1953/54	2 032.0	243.9	—	..	—	—	..	..	1.0	..	17.9	0.9	..	—	2 050.9	244.8
Affiliated overseas areas ^a	1951/52	..	..	141.0	26.0	—	—	0.4	..	..	..	..	..	—	—	141.4	26.0
	1952/53	0.4	—	228.9	40.6	—	—	0.1	—	—	—	—	—	—	—	229.4	40.6
	1953/54	7.8	0.2	220.3	44.4	—	—	..	..	..	..	1.4	0.2	..	—	229.5	44.8
Other overseas countries	1951/52	61.9	3.1	0.1	—	—	—	2.0	0.1	..	..	..	..	—	—	64.0	3.2
	1952/53	173.4	13.2	—	—	—	—	4.0	0.3	—	—	14.8	1.3	—	—	192.2	14.8
	1953/54	144.0	4.4	2.0	0.3	1.0	..	7.3	0.1	10.0	1.2	63.0	5.6	..	—	227.3	11.6
Western Europe .	1951/52	57.3	9.1	1.4	0.3	293.1	57.6	3.1	0.5	19.2	1.1	2.0	0.2	24.7	4.8	400.8	73.6
	1952/53	62.0	8.8	42.7	5.3	38.4	5.6	8.1	1.1	3.0	0.4	3.7	0.1	26.8	3.7	184.7	25.0
	1953/54	28.1	3.5	44.0	5.2	61.6	7.1	11.5	1.2	7.7	0.4	19.8	1.5	24.6	3.1	197.3	22.0
Eastern Europe .	1951/52	46.9	4.0	7.9	1.3	95.9	19.1	1.0	0.2	..	..	4.9	0.8	38.7	6.2	195.3	31.6
	1952/53	2.8	0.6	8.2	1.4	33.6	5.0	0.1	—	—	—	32.4	4.5	28.2	4.9	105.3	16.4
	1953/54	—	—	—	..	38.5	4.6	0.9	0.1	..	..	..	..	16.8	2.6	56.2	7.3
Not allocated . .	1951/52	55.6	4.9	1.3	0.3	—	—	0.6	0.2	4.4	0.2	4.3	0.2	—	—	66.2	5.8
	1952/53	—	—	—	—	—	—	—	—	—	—	0.3	—	—	—	0.3	—
	1953/54	—	—	—	0.1	—	0.1	1.1	0.1	1.1	0.1	1.0	0.1	1.0	—	4.2	0.5
Total	1951/52	2 841.1	336.2	266.2	46.9	616.3	110.2	39.6	5.1	144.6	13.3	374.4	49.7	73.5	11.2	4 355.7	572.6
	1952/53	2 617.5	272.7	429.0	70.2	177.2	21.4	15.4	1.7	67.7	8.0	238.3	23.4	93.0	11.5	3 638.1	408.9
	1953/54	3 757.0	365.5	338.0	58.3	238.9	24.2	23.2	1.9	84.3	7.8	286.9	22.0	69.4	8.4	4 797.7	488.1

Sources : See Table XXXIII.

NOTE. — No imports from Canada.

^a Excluding the sterling area.

Table XXXVI

IMPORTS OF COFFEE INTO SELECTED WESTERN EUROPEAN COUNTRIES
BY AREA OF ORIGIN

Quantities in thousands of tons, values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	IMPORTING COUNTRY													
		United Kingdom		France		Western Germany		Italy		Belgium-Luxembourg		Netherlands		Sweden	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States . . .	1951/52	..	..	—	—	0.1	0.2	—	—	1.0	1.0	—	—	..	..
	1952/53	..	..	—	—	—	—	0.3	0.3	0.4	0.4	..	..	—	—
	1953/54	—	—	—	—	0.1	0.1	0.2	0.3	0.8	1.0	—	—	0.2	0.3
Other dollar area .	1951/52	..	..	3.0	4.8	17.0	23.2	14.6	15.6	14.9	17.3	0.2	0.3	3.9	5.3
	1952/53	1.6	2.1	6.7	9.7	16.4	22.3	16.7	19.3	20.2	24.4	3.5	4.6	5.6	7.5
	1953/54	—	—	7.2	12.2	38.0	53.2	12.5	15.5	17.6	24.9	7.8	11.8	10.3	14.7
Total of dollar area	1951/52	..	..	3.0	4.8	17.1	23.4	14.6	15.6	15.9	18.3	0.2	0.3	3.9	5.3
	1952/53	1.6	2.1	6.7	9.7	16.4	22.3	17.0	19.6	20.6	24.8	3.5	4.6	5.6	7.5
	1953/54	—	—	7.2	12.2	38.1	53.3	12.7	15.8	18.4	25.9	7.8	11.8	10.5	15.0
Non-dollar Latin America	1951/52	10.5	11.9	48.2	54.7	24.3	29.6	29.2	31.5	25.6	27.2	6.2	7.6	38.7	46.6
	1952/53	6.3	7.4	49.9	59.2	28.0	35.2	27.3	31.7	21.6	25.1	11.3	14.0	41.6	51.4
	1953/54	3.0	4.2	69.5	89.0	44.1	60.1	27.7	33.8	16.1	20.7	6.9	9.6	37.2	54.0
Overseas sterling area	1951/52	23.7	16.5	7.7	8.7	3.1	5.0	6.4	7.2	0.7	0.7	0.4	0.5	1.5	2.0
	1952/53	25.3	23.4	0.6	0.8	9.2	14.3	9.0	9.6	0.2	0.2	0.3	0.3	0.9	1.2
	1953/54	24.7	26.3	0.8	1.0	11.8	14.4	7.3	8.7	1.3	1.6	0.6	0.8	0.6	0.8
Affiliated overseas areas ^a	1951/52	9.2	9.2	97.2	105.5	1.6	2.1	1.1	1.2	10.2	9.7	5.0	5.7	0.3	0.3
	1952/53	3.9	4.0	105.0	118.3	2.1	2.8	2.1	2.2	10.0	8.9	9.8	10.7	0.5	0.6
	1953/54	1.1	1.2	89.9	113.3	3.5	4.5	4.3	4.8	10.5	10.8	12.4	15.2	0.3	0.4
Other overseas countries	1951/52	0.3	0.3	1.9	2.4	1.5	2.3	8.5	9.1	2.7	2.6	1.1	1.4	0.6	0.8
	1952/53	0.2	0.2	2.0	2.9	1.0	1.7	8.7	9.5	0.8	0.7	1.3	1.5	0.8	1.1
	1953/54	0.8	0.9	2.4	3.3	1.5	2.6	17.4	20.1	3.6	4.0	3.5	4.0	1.0	1.5
Western Europe . .	1951/52	..	..	—	—	0.4	0.8	—	—	0.4	1.0	0.3	0.3	..	..
	1952/53	0.7	0.8	—	—	3.4	5.9	—	—	0.7	1.4	0.8	0.9	—	—
	1953/54	0.3	0.5	—	—	0.6	1.7	—	—	1.5	2.6	0.4	0.7	..	..
Not allocated . . .	1951/52	2.2	2.2	—	—	0.1	0.1	—	—	—	—	—	—	0.1	0.1
	1952/53	0.1	0.1	—	—	—	—	—	—	—	—	0.1	0.1	—	—
	1953/54	—	—	—	—	—	—	—	—	0.1	0.2	—	—	0.1	0.1
Total. . . .	1951/52	45.9	40.1	158.0	176.1	48.1	63.3	59.8	64.6	55.5	59.5	13.2	15.8	45.1	55.1
	1952/53	38.1	38.0	164.2	190.9	60.1	82.2	64.1	72.6	53.9	61.1	27.1	32.1	49.4	61.8
	1953/54	29.9	33.1	169.8	218.8	99.6	136.6	69.4	83.2	51.5	65.8	31.6	42.1	49.7	71.8

Sources : See Table XXXIII.

NOTE. — No imports from Canada and eastern Europe.

^a Excluding the sterling area.

Table XXXVII

IMPORTS OF RAW TOBACCO INTO SELECTED WESTERN EUROPEAN COUNTRIES
BY AREA OF ORIGIN

Quantities in thousands of tons; values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	Importing country															
		United Kingdom		France		Western Germany		Italy		Belgium-Luxembourg		Netherlands		Sweden		Total of countries listed	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States . .	1951/52	101.2	152.9	4.1	4.6	23.6	30.2	—	—	13.2	13.0	8.2	8.7	5.4	8.2	155.7	217.6
	1952/53	48.1	75.6	3.4	4.4	22.8	30.2	—	—	9.4	9.6	10.7	11.3	5.1	7.5	99.5	138.6
	1953/54	57.3	91.8	2.4	3.4	26.0	36.6	1.3	2.5	9.6	9.5	11.8	11.9	4.8	7.8	113.2	163.5
Canada	1951/52	16.4	22.0	..	..	—	—	—	—	0.1	0.1	0.3	0.1	—	—	16.8	22.2
	1952/53	5.6	7.3	—	—	—	—	—	—	0.2	0.1	—	—	—	—	5.8	7.4
	1953/54	14.6	19.8	—	—	..	..	—	—	—	0.1	—	—	—	—	14.6	19.9
Other dollar area	1951/52	..	..	1.6	0.7	3.4	2.2	—	—	1.8	1.0	0.3	0.3	0.2	0.2	7.3	4.4
	1952/53	..	..	0.6	0.3	3.3	1.9	—	—	2.1	1.1	0.5	0.5	0.1	0.1	6.6	3.9
	1953/54	0.1	0.2	0.8	0.7	4.2	2.5	—	—	2.2	1.5	0.7	0.6	0.4	0.4	8.4	5.9
Total of dollar area	1951/52	117.6	174.9	5.7	5.3	27.0	32.4	—	—	15.1	14.1	8.8	9.1	5.6	8.4	179.8	244.2
	1952/53	53.7	82.9	4.0	4.7	26.1	32.1	—	—	11.7	10.8	11.2	11.8	5.2	7.6	111.9	149.9
	1953/54	72.0	111.8	3.2	4.1	30.2	39.1	1.3	2.5	11.8	11.1	12.5	12.5	5.2	8.2	136.2	189.3
Non-dollar Latin America	1951/52	..	..	2.0	1.5	5.4	4.3	—	—	3.1	1.7	2.0	1.7	0.3	0.4	12.8	9.6
	1952/53	..	..	1.0	0.6	5.2	3.9	—	—	2.9	1.8	3.2	2.7	0.5	0.4	12.8	9.4
	1953/54	..	..	1.1	1.0	5.3	3.9	—	—	2.3	1.8	3.1	2.9	0.2	0.2	12.0	9.8
Overseas sterling area	1951/52	48.6	59.0	0.2	0.1	0.3	0.3	—	—	1.4	0.6	3.5	2.0	1.4	1.4	55.4	63.4
	1952/53	49.1	68.5	0.6	0.3	1.1	1.1	—	—	1.7	0.7	5.5	3.0	1.3	1.0	59.3	74.6
	1953/54	48.1	64.7	0.1	0.1	0.5	0.9	—	—	1.9	0.8	4.3	2.4	1.1	0.8	56.0	69.7
Affiliated overseas areas ^a	1951/52	..	..	11.9	8.3	—	—	—	—	0.2	0.2	0.2	0.1	—	—	12.3	8.6
	1952/53	..	..	11.7	10.8	—	—	—	—	0.2	0.2	0.1	0.1	—	—	12.0	11.1
	1953/54	..	..	17.8	18.3	—	—	—	—	0.1	0.3	0.1	0.1	—	—	18.0	18.7
Other overseas countries	1951/52	0.1	0.3	..	..	2.5	5.9	—	—	1.3	1.4	2.8	7.1	0.2	1.1	6.9	15.8
	1952/53	..	..	0.2	0.6	4.0	7.7	—	—	1.5	2.0	4.1	10.4	0.1	1.0	9.9	21.7
	1953/54	0.1	0.3	0.1	0.6	4.7	8.0	—	—	1.6	1.9	4.0	11.4	0.3	0.7	10.8	22.9
Western Europe .	1951/52	4.4	6.7	14.4	13.6	12.4	13.7	1.1	1.6	2.4	1.8	7.7	8.5	2.1	3.6	44.5	49.5
	1952/53	6.3	9.4	11.4	11.4	15.4	17.2	2.7	2.1	3.0	2.2	7.8	7.9	2.2	3.1	48.8	53.3
	1953/54	6.6	10.6	12.2	11.2	19.7	22.1	3.6	4.6	2.4	2.0	7.0	7.9	2.2	3.6	53.7	62.0
Eastern Europe .	1951/52	..	..	0.8	0.4	0.2	0.2	0.4	0.6	0.6	0.3	—	—	—	—	2.0	1.5
	1952/53	..	..	—	—	0.1	0.1	—	—	0.4	0.2	—	—	—	—	0.5	0.3
	1953/54	..	..	—	—	0.1	0.1	1.3	2.1	0.2	0.3	—	—	—	—	1.6	2.5
Not allocated . .	1951/52	1.0	1.6	1.2	0.7	—	—	—	—	0.2	0.1	—	—	—	—	2.4	2.4
	1952/53	0.4	1.6	—	—	—	—	—	—	—	—	—	—	—	—	0.4	1.6
	1953/54	0.1	0.1	—	—	0.1	0.1	—	—	—	—	—	—	—	—	0.2	0.2
Total	1951/52	171.7	242.5	36.2	29.9	47.8	56.8	1.5	2.2	24.3	20.2	25.0	28.5	9.6	14.9	316.1	395.0
	1952/53	109.5	162.4	28.9	28.4	51.9	62.1	2.7	2.1	21.4	17.9	31.9	35.9	9.3	13.1	255.6	321.9
	1953/54	126.9	187.5	34.5	35.3	60.6	74.2	6.2	9.2	20.3	18.2	31.0	37.2	9.0	13.5	288.5	375.1

Sources : See Table XXXIII.

^a Excluding the sterling area.

Table XXXVIII

IMPORTS OF OILSEEDS INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN

Quantities in thousands of tons ; values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	IMPORTING COUNTRY															
		United Kingdom		France		Western Germany		Italy		Belgium-Luxembourg		Netherlands		Sweden		Total of countries listed	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States . . .	1951/52	12.2	2.8	39.5	5.3	4.4	0.8	5.7	1.7	95.1	13.5	49.3	6.7	—	—	206.2	30.8
	1952/53	—	—	1.6	0.2	70.0	9.0	2.1	0.2	19.1	2.4	51.5	6.5	—	—	144.3	18.3
	1953/54	40.2	4.7	55.0	7.7	185.0	21.5	..	..	38.6	6.3	96.7	10.7	..	—	415.5	50.9
Canada	1951/52	12.9	3.0	6.1	1.3	—	—	..	..	54.5	9.6	3.5	0.7	—	—	77.0	14.6
	1952/53	1.1	0.2	32.6	5.2	—	—	3.1	0.6	46.7	7.5	—	—	—	—	83.5	13.5
	1953/54	27.3	3.2	49.3	7.2	..	..	..	..	26.5	3.3	0.2	..	..	—	103.3	13.7
Other dollar area	1951/52	..	—	25.7	6.1	28.3	6.3	22.4	4.4	94.6	16.6	37.1	7.6	13.9	3.4	222.0	44.4
	1952/53	—	—	4.2	0.8	20.5	2.9	4.6	1.0	67.4	8.9	44.7	7.7	7.1	1.1	148.5	22.4
	1953/54	—	—	8.2	1.2	68.0	14.2	1.5	0.3	36.0	6.9	71.1	14.1	3.0	0.6	187.8	37.3
Total of dollar area	1951/52	25.1	5.8	71.3	12.7	32.7	7.1	28.1	6.1	244.2	39.7	89.9	15.0	13.9	3.4	505.2	89.8
	1952/53	1.1	0.2	38.4	6.2	90.5	11.9	9.8	1.8	133.2	18.8	96.2	14.2	7.1	1.1	376.3	54.2
	1953/54	67.5	7.9	112.5	16.1	253.0	35.7	1.5	0.3	101.1	16.5	168.0	24.8	3.0	0.6	706.6	101.9
Non-dollar Latin America	1951/52	61.4	8.7	42.1	9.1	24.8	4.4	6.6	1.0	5.8	1.1	2.0	0.4	3.0	0.8	145.7	25.5
	1952/53	—	—	6.9	1.2	35.8	5.7	1.1	0.2	1.2	0.2	—	—	5.5	0.9	50.5	8.2
	1953/54	7.3	1.0	27.5	4.1	4.3	0.5	1.2	0.1	1.4	0.6	0.1	0.1	9.2	1.4	51.0	7.8
Overseas sterling area	1951/52	945.0	179.6	34.7	5.8	34.4	6.5	15.6	3.8	4.1	0.9	9.2	2.1	14.4	4.1	1 057.4	202.8
	1952/53	1 090.3	210.9	30.8	6.6	91.4	14.8	17.8	3.7	4.2	0.7	22.1	4.3	12.0	2.3	1 268.6	243.3
	1953/54	1 015.0	187.9	50.0	10.6	105.6	20.8	20.6	4.0	2.8	0.5	36.1	6.1	24.3	5.6	1 254.4	235.5
Affiliated overseas areas ^a	1951/52	8.8	1.0	445.9	116.6	130.2	24.4	1.2	0.3	4.6	0.6	6.3	1.4	6.8	2.0	603.8	146.3
	1952/53	21.5	1.7	400.7	90.8	120.0	17.3	0.9	0.2	12.1	1.5	5.4	1.0	6.4	1.2	567.0	113.7
	1953/54	2.2	0.4	487.8	113.9	93.1	14.7	1.1	0.3	13.6	1.8	13.3	2.4	3.0	0.6	614.1	134.1
Other overseas countries	1951/52	185.3	38.2	29.6	7.9	333.6	63.0	24.6	5.1	29.7	5.0	283.7	59.0	7.8	2.2	894.3	180.4
	1952/53	68.7	7.5	23.2	4.9	239.8	38.9	42.8	7.2	30.8	4.7	191.8	30.9	2.8	0.5	599.9	94.6
	1953/54	92.4	8.6	41.6	7.8	210.3	36.3	48.7	7.8	19.1	2.7	140.1	26.1	31.0	6.7	583.2	96.0
Western Europe . .	1951/52	67.6	9.9	7.2	1.9	74.4	15.4	10.5	1.1	2.5	0.8	5.4	1.1	3.5	0.6	171.1	30.8
	1952/53	6.8	1.5	1.2	0.5	71.1	13.3	10.4	1.1	4.6	0.9	2.6	0.7	9.3	1.6	106.0	19.6
	1953/54	8.6	1.7	21.8	3.7	40.1	6.3	11.4	0.9	3.9	0.7	3.4	0.9	5.0	0.9	94.2	15.1
Eastern Europe . .	1951/52	..	—	0.1	—	2.1	0.4	..	..	0.1	—	2.5	0.6	—	—	4.8	1.0
	1952/53	—	—	0.1	—	10.0	1.4	0.1	—	0.2	—	2.2	0.5	—	—	12.6	1.9
	1953/54	—	—	0.1	—	29.1	3.7	..	..	0.8	0.1	2.1	0.4	..	—	32.1	4.2
Not allocated . .	1951/52	0.1	—	—	—	—	—	5.5	1.5	0.3	—	0.2	—	—	—	6.1	1.5
	1952/53	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	1953/54	—	—	—	—	1.2	0.3	1.9	0.3	0.5	—	4.7	0.8	0.2	—	8.5	1.4
Total	1951/52	1 293.3	243.2	630.9	154.0	632.2	121.2	92.1	18.9	291.3	48.1	399.2	79.6	49.4	13.1	3 388.4	678.1
	1952/53	1 188.4	221.8	501.3	110.2	658.6	103.3	82.9	14.2	186.3	26.8	320.3	51.6	43.1	7.6	2 980.9	535.5
	1953/54	1 193.0	207.5	741.3	156.2	736.7	118.3	86.4	13.7	143.2	22.9	367.8	61.6	75.7	15.8	3 344.1	596.0

Sources : See Table XXXIII.

^a Excluding the sterling area.

Table XXXIX

IMPORTS OF RUBBER INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN

Quantities in thousands of tons; values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	Importing country													
		United Kingdom		France		Western Germany		Italy		Belgium-Luxembourg		Netherlands		Sweden	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States . .	1951/52	3.9	4.1	2.6	1.5	4.5	2.4	2.0	1.5	1.1	0.6	0.3	0.3	0.6	0.5
	1952/53	3.0	3.1	2.4	1.9	6.6	3.3	2.3	1.6	0.6	0.3	0.4	0.3	1.4	0.9
	1953/54	3.9	4.2	4.3	2.5	5.4	3.8	3.7	2.4	0.4	0.3	0.3	0.5	0.8	0.7
Canada	1951/52	1.6	1.4	12.2	7.4	4.9	3.1	4.5	2.7	1.3	0.8	..	—	0.7	0.5
	1952/53	2.1	1.7	10.4	6.3	3.0	2.1	3.8	2.2	1.6	0.9	..	..	0.2	0.2
	1953/54	5.0	3.7	12.1	7.2	6.0	4.0	5.0	3.3	2.0	1.0	0.3	0.3	0.2	0.1
Total of dollar area	1951/52	5.5	5.5	14.8	8.9	9.4	5.5	6.5	4.2	2.4	1.4	0.3	0.3	1.3	1.0
	1952/53	5.1	4.8	12.8	8.2	9.6	5.4	6.1	3.8	2.2	1.2	0.4	0.3	1.6	1.1
	1953/54	8.9	7.9	16.4	9.7	11.4	7.8	8.7	5.7	2.4	1.3	0.6	0.8	1.0	0.8
Non-dollar Latin America	1951/52	0.3	0.4	..	..	0.1	0.1	..	—	—	—	..	—	—	—
	1952/53	0.2	0.2	0.1	0.1	0.1	—	—	—	—	—	..	..	—	—
	1953/54	0.5	0.4	—	—	0.1	—	..	—	—	—	..	..	..	—
Overseas sterling area	1951/52	347.3	362.2	77.5	79.8	61.3	57.7	50.8	58.7	5.4	5.2	1.8	1.6	15.7	15.7
	1952/53	291.3	192.3	71.6	43.2	78.4	44.8	42.0	26.6	6.0	3.4	4.8	2.7	17.2	10.1
	1953/54	237.3	117.0	92.5	41.8	76.1	33.3	50.1	22.8	6.5	3.1	5.9	2.4	20.3	8.8
Affiliated overseas areas ^a	1951/52	4.2	4.7	39.8	40.5	1.6	1.5	0.1	0.1	5.9	5.0	—	0.1	—	—
	1952/53	2.0	1.0	39.5	25.3	2.3	1.4	0.7	0.4	8.4	4.2	0.4	0.2	0.1	0.1
	1953/54	2.3	1.0	27.1	14.9	1.9	1.0	1.8	0.7	9.6	3.7	0.5	0.4	..	—
Other overseas countries	1951/52	32.8	37.7	14.4	15.0	27.5	26.4	3.5	3.5	4.3	4.5	9.0	7.4	1.0	1.2
	1952/53	9.1	6.9	5.0	3.0	34.8	20.1	2.4	1.5	2.8	1.5	9.8	5.3	0.9	0.5
	1953/54	12.0	6.2	7.3	3.2	54.2	24.0	4.8	2.0	2.7	1.5	11.5	5.2	1.4	0.6
Western Europe .	1951/52	0.5	0.4	0.6	0.3	7.2	1.1	1.8	0.6	1.5	0.4	4.8	2.0	2.2	0.3
	1952/53	1.5	0.8	2.1	0.5	5.4	0.5	3.5	0.6	1.6	0.4	7.2	1.1	0.5	0.2
	1953/54	0.9	0.3	4.0	0.8	3.9	0.5	4.3	0.3	1.8	0.4	4.8	0.9	1.0	0.2
Not allocated . .	1951/52	2.7	2.5	2.7	1.4	—	—	0.1	—	—	—	0.1	—	—	—
	1952/53	—	—	—	—	—	—	—	—	—	—	0.1	0.1	—	—
	1953/54	—	—	—	—	—	—	0.1	—	—	—	0.1	0.1	0.1	—
Total	1951/52	393.3	413.4	149.8	145.9	107.1	92.3	62.8	67.1	19.5	16.5	16.0	11.4	20.2	18.2
	1952/53	309.2	206.0	131.1	80.3	130.6	72.2	54.7	32.9	21.0	10.7	22.7	9.7	20.3	12.0
	1953/54	261.9	132.8	147.3	70.4	147.6	66.6	69.8	31.5	23.0	10.0	23.4	9.8	23.8	10.4

Sources: See Table XXXIII.

NOTE. — No imports from "other dollar countries" and eastern Europe.

^a Excluding the sterling area.

Table XL

IMPORTS OF TIMBER ^a INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN

Values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	IMPORTING COUNTRY							
		United Kingdom	France	Western Germany	Italy	Belgium- Luxem- bourg	Nether- lands	Sweden	Total of countries listed
United States . .	1951/52	41.3	2.3	3.2	1.7	7.2	0.9	0.5	57.1
	1952/53	8.4	1.3	2.6	2.0	3.3	1.0	0.7	19.3
	1953/54	8.2	1.8	3.2	1.7	1.2	1.7	0.1	17.9
Canada	1951/52	162.4	8.6	3.6	—	0.5	0.4	0.1	175.6
	1952/53	115.3	5.1	3.2	0.2	0.8	0.1	—	124.7
	1953/54	82.5	0.8	1.3	0.6	1.3	1.2	..	87.7
Other dollar area	1951/52	1.4	0.1	1.3	0.1	0.1	0.4	0.1	3.5
	1952/53	0.8	0.1	0.9	0.2	—	0.1	—	2.1
	1953/54	0.9	0.2	1.0	0.2	0.1	0.3	..	2.7
Total of dollar area	1951/52	205.1	11.0	8.1	1.8	7.8	1.7	0.7	236.2
	1952/53	124.5	6.5	6.7	2.4	4.1	1.2	0.7	146.1
	1953/54	91.6	2.8	5.5	2.5	2.6	3.2	0.1	108.3
Non-dollar Latin America	1951/52	14.4	0.5	1.7	0.1	1.2	0.4	—	18.3
	1952/53	9.6	0.1	1.5	0.7	0.4	0.2	—	12.5
	1953/54	14.4	0.3	3.0	0.3	0.9	0.7	..	19.6
Overseas sterling area	1951/52	48.9	0.2	3.7	1.3	0.3	0.6	0.7	55.7
	1952/53	40.9	0.2	2.7	1.6	0.3	0.7	0.7	47.1
	1953/54	45.8	0.1	5.9	2.0	0.3	1.3	0.9	56.3
Affiliated overseas areas ^b	1951/52	5.4	17.2	9.5	0.4	2.3	2.9	1.2	38.9
	1952/53	2.7	10.4	11.5	0.4	1.3	2.3	0.3	28.9
	1953/54	3.7	15.5	19.1	0.7	1.7	3.8	0.7	45.2
Other overseas countries	1951/52	10.5	0.1	0.4	1.2	1.7	1.4	0.8	16.1
	1952/53	5.3	0.1	0.6	0.7	1.9	1.7	0.5	10.8
	1953/54	5.9	0.2	1.1	1.1	1.7	2.7	0.9	13.6
Western Europe . .	1951/52	279.8	32.4	78.0	35.9	29.6	75.1	20.5	551.3
	1952/53	200.9	42.3	115.1	52.1	23.1	57.8	21.2	512.5
	1953/54	188.4	23.6	90.1	63.6	22.1	78.6	12.8	479.2
Eastern Europe . .	1951/52	40.6	0.5	3.8	1.4	7.2	8.4	0.2	62.1
	1952/53	38.3	2.3	5.5	3.7	7.6	11.3	0.4	69.1
	1953/54	56.6	2.5	4.6	5.3	8.5	11.8	0.3	89.6
Not allocated . .	1951/52	1.0	2.1	—	1.5	0.1	—	—	4.7
	1952/53	0.1	—	—	—	—	0.3	—	0.4
	1953/54	—	0.2	0.6	—	—	—	0.2	1.0
Total	1951/52	605.7	64.0	105.2	43.6	50.2	90.5	24.1	983.3
	1952/53	422.3	61.9	143.6	61.6	38.7	75.5	23.8	827.4
	1953/54	406.4	45.2	129.9	75.5	37.8	102.1	15.9	812.8

Sources : See Table XXXIII.

^a Includes round, hewn and sawn wood.

^b Excluding the sterling area.

Table XLI

IMPORTS OF WOOD-PULP INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN

Quantities in thousands of tons ; values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	IMPORTING COUNTRY													
		United Kingdom		France		Western Germany		Italy		Belgium-Luxembourg		Netherlands		Total of countries listed	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States . .	1951/52	51.6	12.0	39.0	7.8	34.9	7.5	7.5	1.2	8.8	1.9	6.1	2.4	147.9	32.8
	1952/53	17.4	3.5	9.1	2.3	11.8	2.8	10.0	1.6	2.1	0.5	3.8	1.1	54.2	11.8
	1953/54	33.1	5.4	9.9	2.1	14.1	3.3	7.9	1.0	6.9	1.0	7.6	1.8	79.5	14.6
Canada	1951/52	248.6	55.7	44.4	15.1	32.0	10.7	14.6	5.7	16.5	2.6	1.1	0.4	357.2	90.2
	1952/53	161.5	28.1	24.9	4.7	5.5	1.4	1.8	0.4	1.9	0.3	—	—	195.6	34.9
	1953/54	226.0	35.5	28.8	5.2	5.5	0.7	5.0	0.8	6.5	0.8	6.0	0.8	277.8	43.8
Total of dollar area	1951/52	300.2	67.7	83.4	22.9	66.9	18.2	22.1	6.9	25.3	4.5	7.2	2.8	505.1	123.0
	1952/53	178.9	31.6	34.0	7.0	17.3	4.2	11.8	2.0	4.0	0.8	3.8	1.1	249.8	46.7
	1953/54	259.1	40.9	38.7	7.3	19.6	4.0	12.9	1.8	13.4	1.8	13.6	2.6	357.3	58.4
Overseas sterling area	1951/52	8.2	0.9	..	..	—	—	..	..	—	—	—	—	8.2	0.9
	1952/53	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1	—
	1953/54	1.0	—	—	—	—	—	..	—	..	—	..	—	1.0	—
Affiliated overseas areas ^a	1951/52	0.6	0.2	0.6	0.1	0.1	—	0.1	—	—	—	—	—	1.4	0.3
	1952/53	..	—	1.4	0.2	0.1	—	—	—	—	—	—	—	1.5	0.2
	1953/54	—	—	0.3	—	—	—	..	—	..	—	..	—	0.3	—
Western Europe . .	1951/52	1 487.3	342.2	656.9	148.6	311.3	87.4	201.1	66.2	148.2	28.5	204.2	39.6	3 009.0	712.5
	1952/53	1 141.7	133.2	478.9	56.9	309.4	34.6	220.4	28.0	151.9	15.5	223.7	21.6	2 526.0	289.8
	1953/54	1 580.6	177.1	610.1	63.0	507.9	52.2	302.8	38.9	178.8	19.9	278.7	25.0	3 458.9	376.1
Eastern Europe . .	1951/52	11.1	3.9	0.8	0.3	0.5	0.2	2.3	0.8	1.8	0.5	1.1	0.4	17.6	6.1
	1952/53	1.2	0.2	1.2	0.3	—	—	4.7	0.5	0.7	0.1	1.4	0.2	9.2	1.3
	1953/54	30.2	3.6	12.4	1.6	—	—	2.1	0.1	3.3	0.3	1.6	0.1	49.6	5.7
Not allocated ^b . .	1951/52	0.1	—	6.3	1.4	—	—	16.8	5.3	—	—	—	—	23.2	6.7
	1952/53	0.6	—	—	—	—	—	—	—	—	—	—	—	0.6	—
	1953/54	1.0	—	—	—	—	—	0.3	—	0.2	—	0.1	—	1.6	—
Total	1951/52	1 807.5	414.9	748.0	173.3	378.8	105.8	242.4	79.2	175.3	33.5	212.5	42.8	3 564.5	849.5
	1952/53	1 322.5	165.0	515.5	64.4	326.8	38.8	236.9	30.5	156.6	16.4	228.9	22.9	2 787.2	338.0
	1953/54	1 871.9	221.6	661.5	71.9	527.5	56.2	318.1	40.8	195.7	22.0	294.0	27.7	3 868.7	440.2

Sources : See Table XXXIII.

NOTE. — No imports from "other dollar countries" and "Non-dollar Latin America". No imports into Sweden.

^a Excluding the sterling area.

^b Includes very small quantities imported from "other overseas countries".

Table XLII

IMPORTS OF RAW WOOL INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN

Quantities in thousands of tons ; values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	IMPORTING COUNTRY															
		United Kingdom		France		Western Germany		Italy		Belgium-Luxembourg		Netherlands		Sweden		Total of countries listed	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States . . .	1951/52	..	..	..	..	0.9	0.8	0.1	0.2	—	—	..	..	—	—	1.0	1.0
	1952/53	..	..	—	—	..	..	0.1	0.2	—	—	—	—	—	—	0.1	0.2
	1953/54	..	..	..	..	..	..	..	0.1	..	..	..	..	—	—	—	0.1
Non-dollar Latin America	1951/52	4.7	6.6	3.3	6.3	2.6	6.2	2.5	8.9	0.7	1.1	0.3	0.6	0.6	1.3	14.7	31.0
	1952/53	76.0	111.4	10.1	13.0	21.9	32.1	8.9	12.7	25.2	29.4	3.8	6.2	1.4	2.7	147.3	207.5
	1953/54	25.8	43.0	15.6	23.0	17.6	25.7	5.5	9.1	6.6	7.9	2.1	3.8	0.8	2.8	74.0	115.3
Overseas sterling area	1951/52	240.6	424.2	119.8	213.1	34.1	71.0	50.8	107.0	43.6	66.7	5.4	9.2	5.0	12.7	499.3	903.9
	1952/53	303.5	501.2	115.7	180.3	49.4	83.4	65.4	118.5	44.7	62.6	4.2	6.5	3.4	6.3	586.3	958.8
	1953/54	273.9	468.3	149.1	266.4	52.3	89.5	73.3	147.3	56.7	84.1	5.1	8.9	2.5	4.9	612.9	1 069.4
Affiliated overseas areas ^a	1951/52	..	..	2.2	1.8	0.1	0.1	..	..	—	—	..	..	—	—	2.3	1.9
	1952/53	..	..	3.3	3.0	..	..	0.2	0.1	0.1	0.1	—	—	—	—	3.6	3.2
	1953/54	..	..	5.6	5.6	..	0.1	..	0.1	..	0.3	—	0.1	—	—	5.6	6.2
Other overseas countries	1951/52	..	..	0.1	0.1	0.4	0.5	0.2	0.2	—	—	..	..	—	—	0.7	0.8
	1952/53	..	..	—	—	..	..	0.4	0.3	—	—	—	—	—	—	0.4	0.3
	1953/54	..	..	..	0.1	1.8	1.2	1.3	1.0	..	..	..	..	—	—	3.1	2.3
Western Europe	1951/52	5.5	10.1	1.9	3.8	12.4	26.4	3.0	5.5	3.0	4.8	3.3	6.6	0.7	2.0	29.8	59.2
	1951/52	14.5	26.6	1.3	2.2	11.5	24.6	10.0	19.1	5.5	8.0	3.6	7.1	1.0	1.9	47.4	89.5
	1953/54	11.8	23.6	1.3	1.7	11.3	23.5	8.7	16.1	4.5	6.2	2.9	7.5	1.5	1.9	42.0	80.5
Not allocated . . .	1951/52	1.1	1.9	0.2	0.5	0.3	0.1	1.7	3.1	—	—	0.3	0.4	—	—	3.6	6.0
	1952/53	2.4	3.1	—	—	0.6	0.4	0.5	0.9	—	—	—	—	—	—	3.5	4.4
	1953/54	6.1	7.5	0.6	0.2	0.2	0.2	2.2	4.0	2.8	3.5	1.1	0.2	—	—	13.0	15.6
Total	1951/52	251.9	442.8	127.5	225.6	50.8	105.1	58.3	124.9	47.3	72.6	9.3	16.8	6.3	16.0	551.4	1 003.8
	1952/53	396.4	642.3	130.4	198.5	83.4	140.5	85.5	151.8	75.5	100.1	11.6	19.8	5.8	10.9	788.6	1 263.9
	1953/54	317.6	542.4	172.2	297.0	83.2	140.2	91.0	177.7	70.6	102.0	11.2	20.5	4.8	9.6	750.6	1 289.4

Sources : See Table XXXIII.

NOTE. — Imports from Canada, "other dollar area", and eastern Europe are negligible.

^a Excluding the sterling area.

Table XLIII

IMPORTS OF RAW COTTON INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN

Quantities in thousands of tons ; values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	IMPORTING COUNTRY													
		United Kingdom		France		Western Germany		Italy		Belgium-Luxembourg		Netherlands		Sweden	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States	1951/52	186.5	155.0	102.7	91.3	115.3	107.6	153.9	159.3	74.3	71.7	41.2	41.7	22.7	21.2
	1952/53	83.2	71.7	112.8	89.9	74.9	58.6	107.0	97.2	30.4	25.5	31.9	28.5	9.1	8.2
	1953/54	103.4	77.2	114.1	89.5	105.4	71.1	53.4	44.4	26.4	20.2	31.7	26.8	10.3	8.4
Other dollar area	1951/52	20.7	23.0	47.1	45.8	11.3	7.9	6.1	5.8	2.9	2.8	..	..	5.7	7.2
	1952/53	7.7	6.6	5.5	4.3	29.9	23.5	4.6	4.1	15.8	14.0	4.0	3.5	4.3	3.9
	1953/54	11.6	8.6	1.4	1.1	37.6	28.8	3.3	1.9	14.8	12.3	8.4	6.9	3.4	2.4
Total of dollar area ^a	1951/52	207.2	178.0	149.8	137.1	126.6	115.5	160.2	165.2	77.2	74.5	41.2	41.7	28.4	28.4
	1952/53	90.9	78.3	118.3	94.2	104.8	82.1	111.8	101.5	46.2	39.5	35.9	32.0	13.4	12.1
	1953/54	115.0	85.8	115.5	90.6	143.0	99.9	56.7	46.3	41.2	32.5	40.1	33.9	13.7	10.8
Non-dollar Latin America	1951/52	77.3	119.3	31.7	44.7	28.8	29.1	4.5	4.1	6.3	8.3	4.3	6.0	4.5	6.7
	1952/53	56.7	44.2	16.4	16.3	22.6	10.2	0.3	0.3	12.4	10.9	5.0	4.5	4.9	4.7
	1953/54	89.2	62.1	29.0	22.8	70.5	45.8	18.5	13.3	23.9	18.2	10.5	7.7	7.7	5.4
Overseas sterling area	1951/52	63.9	73.1	16.4	19.6	18.4	24.8	22.6	25.9	2.1	0.8	1.5	1.5	1.7	1.8
	1952/53	88.4	75.4	24.7	19.2	41.4	30.6	16.8	12.0	14.6	7.7	7.8	5.0	5.3	4.0
	1953/54	96.2	68.6	24.1	17.2	28.7	18.8	22.6	16.3	11.5	5.6	6.2	3.9	4.4	3.2
Affiliated overseas areas ^b	1951/52	8.5	9.0	36.8	41.0	6.9	7.2	0.1	0.2	18.2	18.1	0.4	0.4	0.5	0.6
	1952/53	9.1	6.6	36.0	31.6	17.2	15.4	—	—	13.9	10.9	1.7	1.5	1.3	1.2
	1953/54	7.9	5.1	37.9	29.7	10.3	8.3	0.6	0.6	17.8	13.3	1.0	..	2.4	1.8
Other overseas countries	1951/52	103.9	208.1	41.5	66.7	17.9	31.6	26.4	45.3	2.0	2.8	1.2	2.1	0.8	0.9
	1952/53	58.0	62.0	71.5	69.4	50.5	48.0	44.0	47.2	6.2	5.0	5.6	5.3	3.7	3.4
	1953/54	111.6	100.8	82.3	78.4	57.9	52.2	39.5	40.7	10.2	8.1	6.5	5.8	2.4	2.3
Western Europe	1951/52	6.7	4.9	17.6	18.0	36.7	39.2	10.5	9.4	2.8	1.2	8.4	6.1	4.5	2.5
	1952/53	21.0	12.5	19.8	15.1	41.0	31.2	18.4	15.1	6.1	2.2	15.0	9.8	4.6	1.8
	1953/54	19.0	10.1	19.1	14.0	29.5	17.1	30.8	23.6	8.4	3.2	18.0	10.6	4.9	2.0
Eastern Europe	1951/52	4.6	1.2	0.5	0.1	—	—	—	—	0.4	0.2	0.4	0.1	0.1	0.1
	1952/53	0.6	0.1	0.1	—	—	—	—	—	0.3	0.1	—	—	—	—
	1953/54	6.2	3.4	4.0	3.0	—	—	3.2	2.7	6.6	2.7	1.1	0.9	0.2	0.1
Not allocated	1951/52	10.2	10.7	3.8	2.8	—	—	—	—	1.2	0.5	1.0	1.3	—	—
	1952/53	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	1953/54	—	—	—	—	—	—	—	—	—	—	0.1	0.1	—	—
Total	1951/52	482.3	604.3	298.1	330.0	235.3	247.4	224.3	250.1	110.2	106.4	58.4	59.2	40.5	41.0
	1952/53	324.7	279.1	286.8	245.8	277.5	217.5	191.3	176.1	99.7	76.3	71.0	58.1	33.2	27.2
	1953/54	445.1	335.9	311.9	255.7	339.9	242.1	171.9	143.5	119.6	83.6	83.5	62.9	35.7	25.6

Sources : See Table XXXIII.

^a Includes very small quantities imported from Canada.

^b Excluding the sterling area.

IMPORTS OF CRUDE PETROLEUM INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN

Quantities in thousands of tons; values in millions of current dollars, c.i.f.

Area of origin	Year July/June	IMPORTING COUNTRY												Total of countries listed	
		United Kingdom		France		Western Germany		Italy		Belgium- Luxembourg		Netherlands		Sweden	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States	1951/52	89.3	3.4	88.9	2.9	—	—	73.0	2.0	—	—	—	—	—	—
	1952/53	95.4	3.0	98.6	2.8	—	—	48.0	1.6	—	—	—	—	—	—
	1953/54	127.0	3.6	73.4	2.1	—	—	76.5	2.0	..	..	..	..	—	—
Other dollar area	1951/52	542.8	15.3	1 269.6	33.6	515.3	13.1	444.7	11.4	86.5	2.3	801.3	20.9	164.8	4.9
	1952/53	633.2	15.3	1 156.6	27.5	664.6	16.0	548.8	12.4	49.6	0.9	238.3	6.5	159.3	3.8
	1953/54	1 183.5	27.9	973.0	21.1	801.8	16.4	398.5	7.4	75.8	1.6	540.1	10.2	146.6	2.6
Total of dollar area	1951/52	632.1	18.7	1 358.5	36.5	515.3	13.1	517.7	13.4	86.5	2.3	801.3	20.9	164.8	4.9
	1952/53	728.6	18.3	1 255.2	30.3	664.6	16.0	596.8	14.0	49.6	0.9	238.3	6.5	159.3	3.8
	1953/54	1 310.5	31.5	1 046.4	23.2	801.8	16.4	475.0	9.4	75.8	1.6	540.1	10.2	146.6	2.6
Non-dollar Latin America	1951/52	150.8	4.8	—	..	..	—	—	—	—	—	—	—	—	—
	1952/53	114.1	3.8	—	—	—	—	—	—	—	—	—	—	—	—
	1953/54	142.6	4.2	—	—	—	—	..	..	..	..	..	..	—	—
Overseas sterling area	1951/52	13 815.9	392.2	12 390.1	320.6	1 590.8	44.8	3 285.6	73.5	1 750.9	48.6	4 335.5	118.8	728.9	18.1
	1952/53	21 632.4	577.4	15 233.7	347.6	1 729.4	46.3	6 080.9	132.7	2 171.7	60.1	4 570.3	121.5	800.2	20.4
	1953/54	25 010.8	546.0	17 267.2	363.8	2 228.2	49.4	9 009.0	180.7	2 174.0	54.8	4 625.8	98.8	886.0	18.8
Affiliated overseas areas ^a	1951/52	1 154.0	28.6	117.4	2.4	..	—	98.5	2.2	79.8	1.7	8.1	0.2	—	—
	1952/53	525.4	12.1	88.1	2.1	46.5	0.9	90.3	1.8	94.0	1.9	424.8	8.5	—	—
	1953/54	1 017.0	23.0	182.2	3.5	45.0	0.9	129.1	2.4	94.8	1.7	208.5	3.3	—	—
Other overseas countries	1951/52	5 977.8	167.2	5 948.0	168.1	1 169.8	31.9	5 063.2	110.3	11.5	0.3	1 384.5	36.3	231.6	6.0
	1952/53	1 040.7	28.8	5 345.3	139.0	1 341.8	35.1	4 276.3	92.3	97.2	2.3	1 769.7	44.3	379.4	9.6
	1953/54	1 20.5	3.0	4 610.5	106.2	2 340.0	52.9	4 521.8	89.0	942.0	19.7	2 644.6	59.7	495.2	10.8
Western Europe	1951/52	12.1	0.6	—	..	..	—	1.9	—	—	—	5.4	0.1	—	—
	1952/53	26.3	1.1	—	—	—	—	—	—	—	—	—	—	—	—
	1953/54	49.0	1.8	—	—	—	—	..	..	8.0	0.2	..	..	—	—
Eastern Europe	1951/52	..	..	—	..	..	—	56.3	1.4	—	—	—	—	—	—
	1952/53	—	—	—	—	..	—	162.9	3.9	—	—	—	—	—	—
	1953/54	..	—	34.9	0.7	—	—	190.6	3.5	..	..	..	..	—	—
Not allocated	1951/52	21.5	0.7	—	0.1	0.6	—	—	—	—	—	—	—	—	—
	1952/53	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	1953/54	5.8	—	—	—	—	—	2.5	—	—	—	1.9	0.1	—	—
Total	1951/52	21 764.2	612.8	19 814.0	527.7	3 276.5	89.8	9 023.2	200.8	1 928.7	52.9	6 534.8	176.3	1 125.3	29.0
	1952/53	24 067.5	641.5	21 922.3	519.0	3 782.3	98.3	11 207.2	244.7	2 412.5	65.2	7 003.1	180.8	1 338.9	33.8
	1953/54	27 656.2	609.5	23 141.2	497.4	5 415.0	119.6	14 328.0	285.0	3 297.0	78.0	8 020.9	172.1	1 527.8	32.2
Total														63 466.7	1 689.3
														71 733.8	1 783.3
														83 386.1	1 793.8

NOTE. — No imports from Canada. ^a Excluding the sterling area.

Sources: See Table XXXIII.

Table XLV

IMPORTS OF REFINED PETROLEUM INTO SELECTED WESTERN EUROPEAN COUNTRIES
BY AREA OF ORIGIN

Quantities in thousands of tons ; values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	IMPORTING COUNTRY															
		United Kingdom		France		Western Germany		Italy		Belgium- Luxem- bourg		Nether- lands		Sweden		Total of countries listed	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States . .	1951/52	..	122.1	234.3	21.2	177.5	9.2	118.2	11.9	314.2	20.8	102.4	8.0	..	21.6	..	214.8
	1952/53	..	82.2	204.1	15.3	147.0	9.0	113.1	11.3	257.8	15.2	109.3	7.2	..	13.5	..	153.7
	1953/54	..	68.7	186.5	14.5	173.1	9.8	90.5	9.2	246.0	14.5	69.2	5.7	..	9.2	..	131.6
Canada	1951/52	..	2.3	..	..	—	—	7.2	0.5	..	..	—	—	..	—	..	2.8
	1952/53	..	0.6	—	—	—	—	10.1	0.7	..	..	—	—	..	—	..	1.3
	1953/54	..	0.8	—	—	—	—	8.2	0.6	..	..	—	—	..	—	..	1.4
Other dollar area	1951/52	..	22.1	207.4	8.1	129.3	4.3	21.2	0.4	167.7	4.9	95.8	2.7	..	20.0	..	62.5
	1952/53	..	8.0	102.3	3.8	47.6	1.7	22.9	0.7	201.5	5.2	148.1	3.6	..	25.9	..	48.9
	1953/54	..	15.6	73.9	2.4	65.3	2.3	2.8	0.1	203.0	6.2	243.1	5.0	..	19.4	..	51.0
Total of dollar area	1951/52	..	146.5	441.7	29.3	306.8	13.5	146.6	12.8	481.9	25.7	198.2	10.7	..	41.6	..	280.1
	1952/53	..	90.8	306.4	19.1	194.6	10.7	146.1	12.7	459.3	20.4	257.4	10.8	..	39.4	..	203.9
	1953/54	..	85.1	260.4	16.9	238.4	12.1	101.5	9.9	449.0	20.7	312.3	10.7	..	28.6	..	184.0
Overseas sterling area	1951/52	..	44.7	11.9	0.3	—	—	12.5	0.3	33.0	1.0	8.0	0.3	..	9.0	..	55.6
	1952/53	..	48.6	12.6	0.3	—	—	25.8	0.7	15.6	0.7	3.0	0.1	..	6.5	..	56.9
	1953/54	..	56.7	—	—	—	—	3.2	0.2	30.8	1.1	213.7	3.6	..	6.6	..	68.2
Affiliated overseas areas ^a	1951/52	..	105.3	55.1	2.3	7.3	0.2	39.8	1.0	720.8	22.7	487.4	16.9	..	48.3	..	196.7
	1952/53	..	71.7	45.0	1.2	14.6	0.6	43.1	1.0	555.1	19.3	442.6	17.1	..	48.8	..	159.7
	1953/54	..	74.9	35.6	0.8	125.5	5.1	6.8	0.3	299.0	9.9	624.2	18.1	..	32.3	..	141.4
Other overseas countries	1951/52	..	7.5	111.2	3.5	43.8	2.5	197.2	5.1	59.1	2.6	164.3	5.7	..	4.4	..	31.3
	1952/53	..	0.4	21.8	0.8	9.7	0.6	127.3	4.3	1.8	—	108.3	2.8	..	2.7	..	11.6
	1953/54	..	1.5	30.9	1.1	11.9	0.9	12.7	0.6	16.4	0.5	202.3	4.7	..	0.1	..	9.4
Western Europe . .	1951/52	..	43.2	226.0	8.2	181.5	7.9	84.7	4.6	1 207.1	42.1	259.4	9.7	..	36.3	..	152.0
	1952/53	..	44.5	484.1	17.9	428.0	17.7	188.6	7.4	1 013.3	35.5	471.4	16.3	..	44.2	..	183.5
	1953/54	..	44.3	442.8	15.7	715.0	22.6	328.5	9.5	1 102.1	33.6	559.7	17.6	..	63.2	..	206.5
Eastern Europe . .	1951/52	..	1.3	36.6	1.4	0.2	0.1	90.5	2.5	30.1	1.1	0.2	—	..	0.9	..	7.3
	1952/53	..	—	53.7	1.8	25.2	0.9	230.7	4.6	21.3	0.6	1.1	0.2	..	2.3	..	10.4
	1953/54	..	0.5	187.7	5.6	76.5	2.4	123.4	2.4	129.1	2.0	10.0	0.2	..	10.7	..	23.8
Not allocated . .	1951/52	..	—	18.3	0.9	—	—	11.2	0.6	5.6	0.1	—	—	..	—	..	1.6
	1952/53	..	—	—	—	—	—	5.5	0.1	1.6	0.1	—	—	..	—	..	0.2
	1953/54	..	—	—	—	—	—	0.3	—	2.6	0.5	—	—	..	0.2	..	0.7
Total	1951/52	..	348.5	900.8	45.9	539.6	24.2	582.5	26.9	2 537.6	95.3	1 117.5	43.3	..	140.5	..	724.6
	1952/53	..	256.0	923.6	41.1	672.1	30.5	767.1	30.8	2 068.0	76.6	1 283.8	47.3	..	143.9	..	626.2
	1953/54	..	263.0	957.4	40.1	1 167.3	43.1	576.4	22.9	2 029.0	68.3	1 922.2	54.9	..	141.7	..	634.0

Sources : See Table XXXIII.

NOTE. — Imports from non-dollar Latin America are negligible.

^a Excluding the sterling area.

Table XLVI

IMPORTS OF FATS AND OILS INTO SELECTED WESTERN EUROPEAN COUNTRIES
BY AREA OF ORIGIN

Values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	IMPORTING COUNTRY							
		United Kingdom	France	Western Germany	Italy	Belgium- Luxem- bourg	Nether- lands	Sweden	Total of countries listed
United States . .	1951/52	12.8	4.3	17.7	26.0	14.8	10.0	0.5	86.1
	1952/53	4.9	1.3	14.2	10.0	4.3	8.2	..	42.9
	1953/54	12.7	2.5	16.8	8.4	5.2	22.0	..	67.6
Canada	1951/52	1.3	—	0.3	..	0.8	0.6	..	3.0
	1952/53	2.3	—	..	0.1	0.4	0.1	..	2.9
	1953/54	2.2	—	0.4	..	0.2	..	—	2.8
Other dollar area .	1951/52	0.6	0.2	3.2	1.9	..	..	..	5.9
	1952/53	0.1	0.1	0.2	0.6	—	0.2	..	1.2
	1953/54	0.2	0.3	6.5	0.2	..	..	1.0	8.2
Total of dollar area	1951/52	14.7	4.5	21.2	27.9	15.6	10.6	0.5	95.0
	1952/53	7.3	1.4	14.4	10.7	4.7	8.5	..	47.0
	1953/54	15.1	2.8	23.7	8.6	5.4	22.0	1.0	78.6
Non-dollar Latin America	1951/52	104.7	13.6	9.7	4.2	0.3	5.5	1.6	139.6
	1952/53	5.2	2.5	7.8	2.4	0.4	2.1	1.3	21.7
	1953/54	12.3	3.4	10.4	5.0	1.8	3.9	2.5	39.3
Overseas sterling area	1951/52	139.8	8.1	15.2	10.6	1.6	4.4	4.5	184.2
	1952/53	134.3	0.3	22.2	16.4	6.3	4.5	0.9	184.9
	1953/54	97.9	0.2	10.9	14.0	1.7	3.7	3.5	131.9
Affiliated overseas areas ^a	1951/52	11.8	53.5	11.5	5.5	11.4	0.4	1.0	95.1
	1952/53	7.4	64.2	11.9	6.4	9.5	0.4	0.2	100.0
	1953/54	0.2	70.7	17.5	3.2	10.8	1.2	0.3	103.9
Other overseas countries	1951/52	7.9	3.1	9.1	1.0	6.9	22.4	0.3	50.7
	1952/53	5.3	0.8	18.1	4.2	3.1	20.0	0.6	52.1
	1953/54	6.7	1.1	20.2	3.4	2.4	22.7	2.1	58.6
Western Europe . .	1951/52	28.0	20.6	84.8	6.6	1.7	8.4	13.4	163.5
	1952/53	10.1	8.1	68.9	14.3	3.8	4.6	7.5	117.3
	1953/54	9.7	7.6	59.5	16.3	5.9	6.5	7.9	113.4
Eastern Europe . .	1951/52	..	—	0.5	..	0.7	2.2	..	3.4
	1952/53	0.2	—	0.4	0.1	0.8	0.4	..	1.9
	1953/54	..	—	1.4	..	..	0.6	..	2.0
Not allocated . .	1951/52	3.7	—	—	0.1	0.1	0.1	0.1	4.1
	1952/53	4.9	—	0.2	—	—	3.5	0.2	8.8
	1953/54	13.8	—	—	0.6	0.6	2.2	—	17.2
Total	1951/52	310.6	103.4	152.0	55.9	38.3	54.0	21.4	735.6
	1952/53	174.7	77.3	143.9	54.5	28.6	44.0	10.7	533.7
	1953/54	155.7	85.8	143.6	51.1	28.6	62.8	17.3	544.9

Sources : See Table XXXIII.

^a Excluding the sterling area.

Table XLVII

IMPORTS OF COPPER INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN

Quantities in thousands of tons ; values in millions of current dollars, c.i.f.

Area of origin	Year July/ June	Importing country															
		United Kingdom		France		Western Germany		Italy		Belgium-Luxembourg		Netherlands		Sweden		Total of countries listed	
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
United States . .	1951/52	44.4	31.1	21.1	16.9	25.9	23.6	13.5	8.6	0.9	0.8	7.1	4.3	1.5	1.3	114.4	86.6
	1952/53	29.3	23.1	26.2	21.4	13.4	12.5	11.6	8.6	—	—	4.9	3.7	2.3	2.1	87.7	71.4
	1953/54	23.8	15.8	16.1	11.4	27.6	17.5	6.5	4.9	1.0	0.6	10.1	6.6	1.9	1.4	87.0	58.2
Canada	1951/52	43.8	28.0	8.6	6.2	1.7	1.6	2.3	2.2	—	—	..	..	5.5	5.0	61.9	43.0
	1952/53	35.6	27.2	6.4	5.2	0.4	0.3	0.4	0.3	—	—	0.1	0.1	0.4	0.3	43.3	33.4
	1953/54	60.8	40.8	3.6	2.4	1.7	1.2	..	..	—	—	0.1	0.1	0.4	0.3	66.6	44.8
Other dollar area	1951/52	..	..	..	..	3.9	4.4	1.8	1.9	—	—	..	..	—	—	5.7	6.3
	1952/53	..	..	—	—	3.0	2.4	1.6	1.3	—	—	—	—	—	—	4.6	3.7
	1953/54	..	..	..	..	1.7	1.2	..	..	—	—	—	—	—	—	1.7	1.2
Total of dollar area	1951/52	88.2	59.1	29.7	23.1	31.5	29.6	17.6	12.7	0.9	0.8	7.1	4.3	7.0	6.3	182.0	135.9
	1952/53	64.9	50.3	32.6	26.6	16.8	15.2	13.6	10.2	—	—	5.0	3.8	2.7	2.4	135.6	108.5
	1953/54	84.6	56.6	19.7	13.8	31.0	19.9	6.5	4.9	1.0	0.6	10.2	6.7	2.3	1.7	155.3	104.2
Non-dollar Latin America	1951/52	9.6	5.2	13.5	9.9	11.8	9.1	27.6	21.3	0.4	0.2	0.1	..	7.9	8.9	70.9	54.6
	1952/53	0.8	0.5	6.6	5.3	14.5	12.5	19.0	17.0	—	—	—	—	0.3	0.3	41.2	35.6
	1953/54	9.6	6.3	2.9	2.1	16.0	10.2	0.6	0.7	0.2	0.1	—	—	0.2	0.1	29.5	19.5
Overseas sterling area	1951/52	222.8	127.1	8.8	7.0	15.6	10.2	6.6	4.7	24.7	14.0	..	..	12.7	7.8	291.2	170.8
	1952/53	252.1	169.2	2.9	2.3	13.1	8.6	14.1	12.4	15.3	9.6	—	—	14.3	10.4	311.8	212.5
	1953/54	245.4	158.3	7.8	5.1	26.2	15.9	19.5	12.3	14.0	8.0	—	—	19.8	12.6	332.7	212.2
Affiliated overseas areas ^a	1951/52	0.1	..	31.6	23.0	0.2	0.1	1.7	1.1	125.5	82.4	..	..	1.2	0.7	160.3	107.3
	1952/53	..	..	44.4	35.1	—	—	14.6	11.0	114.7	89.6	—	—	0.5	0.3	174.2	136.0
	1953/54	..	..	34.7	22.9	0.1	—	12.7	8.4	154.6	108.5	0.3	0.2	4.1	2.8	206.5	142.8
Other overseas countries	1951/52	..	..	0.5	0.4	8.4	9.9	1.5	1.6	0.3	0.1	..	..	—	—	10.7	12.0
	1952/53	..	..	0.2	0.2	0.2	0.3	0.3	0.2	—	—	—	—	—	—	0.7	0.7
	1953/54	..	..	..	..	1.1	0.2	..	..	—	—	—	—	—	—	1.1	0.2
Western Europe .	1951/52	41.4	27.5	32.7	28.4	52.0	34.5	6.8	5.6	5.0	2.8	8.4	5.5	19.1	12.6	165.4	116.9
	1952/53	52.2	40.2	46.4	37.4	62.5	37.6	24.9	18.4	10.4	6.8	6.5	4.7	19.8	14.0	222.7	159.1
	1953/54	28.3	19.1	34.2	24.3	108.9	63.0	34.8	20.8	16.2	9.7	12.7	8.2	29.5	20.0	264.6	165.1
Not allocated . .	1951/52	1.3	1.4	0.7	0.4	—	—	3.6	2.1	—	—	0.1	0.1	—	—	5.7	4.0
	1952/53	0.2	0.1	—	—	—	—	—	—	—	—	—	—	—	—	0.2	0.1
	1953/54	4.8	3.5	0.3	0.3	—	—	1.6	1.1	—	—	—	—	—	—	6.7	4.9
Total	1951/52	363.4	220.3	117.5	92.2	119.5	93.4	65.4	49.1	156.8	100.3	15.7	9.9	47.9	36.3	886.2	601.5
	1952/53	370.2	260.3	133.1	106.9	107.1	74.2	86.5	69.2	140.4	106.0	11.5	8.5	37.6	27.4	886.4	652.5
	1953/54	372.7	243.8	99.6	68.5	183.3	109.2	75.7	48.2	186.0	126.9	23.2	15.1	55.9	37.2	996.4	648.9

Sources : See Table XXXIII.

^a Excluding the sterling area.

NOTE. — Imports from eastern Europe are negligible.

Table XLVIII

**EXPORTED OF SELECTED EUROPEAN COUNTRIES AND THE UNITED STATES
BY MAIN COMMODITY GROUPS AND BY AREA OF DESTINATION**

EXPORTS OF SELECTED EUROPEAN COUNTRIES AND THE UNITED STATES

Millions of

Exporting country and commodity group	Area of destination and period			of which :									LATIN AMERICA			OVERSEAS STERLING AREA ^a		
				NORTH AMERICA														
	1953			1954			UNITED STATES			CANADA								
	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half
UNITED KINGDOM																		
1. Food, drink and tobacco	38.1	47.8	41.5	30.3	37.3	33.5	7.8	10.5	8.0	6.6	8.0	8.3	80.9	97.0				
2. Mineral fuels and petroleum products	1.9	3.0	1.6	0.2	0.3	—	1.7	2.7	1.6	1.5	6.4	5.5	30.9	41.0				
3. Metallic ores and base metals	30.9	35.3	26.1	19.0	20.9	13.5	11.9	14.4	12.6	9.8	8.2	13.5	83.6	79.5				
<i>of which : Iron and steel</i>	15.2	17.9	16.1	4.8	6.5	5.2	10.4	11.4	10.9	7.2	6.1	11.1	65.7	62.3				
4. Oil-seeds, fats and oils	5.8	0.8	1.2	5.1	0.5	1.0	0.7	0.3	0.2	0.1	0.1	0.2	3.2	1.3				
5. Textile fibres, natural	18.3	15.7	15.4	9.5	8.1	9.1	8.8	7.6	6.3	0.8	0.3	1.0	8.5	9.2				
6. Selected construction materials	5.1	5.5	3.6	2.1	1.2	0.9	3.0	4.3	2.7	1.5	2.1	2.8	32.6	33.3				
7. Other raw materials	3.1	3.8	3.4	2.7	3.1	2.8	0.4	0.7	0.6	0.2	0.2	0.5	3.3	4.1				
8. Metal manufactures	13.1	13.5	13.9	4.0	5.7	5.5	9.1	7.8	8.4	4.1	5.3	5.9	71.0	91.8				
9. Power-generating (except electric) machinery	8.6	8.2	8.9	1.3	0.9	1.2	7.3	7.3	7.7	2.7	3.3	4.1	40.6	41.0				
10. Agricultural machinery	1.9	0.6	1.8	1.2	0.2	0.9	0.7	0.4	0.9	0.5	0.8	0.6	5.7	7.6				
11. Metal-working, mining, construction and other industrial machinery	23.6	23.2	23.9	10.0	10.6	12.2	13.6	12.6	11.7	19.7	16.1	14.2	134.1	124.3	1			
12. Electric machinery	12.3	12.1	11.1	2.5	2.9	3.6	9.8	9.2	7.5	6.5	8.8	8.6	122.0	109.5	1			
13. Tractors, other than steam	3.7	2.2	8.3	0.7	1.1	5.6	3.0	1.1	2.7	2.9	1.5	1.8	15.1	17.3				
14. Railway vehicles	0.9	5.4	2.9	—	—	—	0.9	5.4	2.9	4.0	3.3	2.0	29.2	27.9				
15. Road motor vehicles ^d	39.5	25.3	29.6	20.3	12.7	17.7	19.2	12.6	11.9	6.9	12.1	8.7	88.7	166.6	1			
16. Other vehicles ^d	16.8	6.2	9.4	5.8	5.1	4.9	11.0	1.1	4.5	15.2	16.1	9.2	63.0	19.2				
17. Chemicals	20.8	20.6	18.4	12.6	11.1	9.5	8.2	9.5	8.9	10.1	16.2	16.6	94.3	113.8	1			
18. Textile manufactures and clothing	76.1	73.6	62.2	36.5	37.1	31.0	39.6	36.5	31.2	16.5	18.7	17.3	210.3	260.0	2			
<i>of which : Textile yarns (including synthetic fibres)</i>	8.9	6.2	5.1	2.1	1.3	1.1	6.8	4.9	4.0	6.0	7.5	6.1	30.2	37.9				
Cotton fabrics	6.5	6.6	5.6	3.4	3.6	2.9	3.1	3.0	2.7	1.2	1.5	1.3	81.5	93.8				
Other fabrics	52.4	47.7	45.1	26.8	23.6	23.5	25.6	24.1	21.6	8.9	9.3	9.5	84.7	113.3	1			
19. Paper, manufactures of wood and paper (excluding furniture)	1.8	1.9	2.4	1.3	1.3	1.8	0.5	0.6	0.6	0.6	0.8	1.2	19.3	24.2				
20. All other commodities	53.2	54.6	52.5	24.6	25.7	23.8	28.6	28.9	28.7	7.5	8.5	10.7	132.8	149.5	1			
<i>of which : Instruments and watches</i>	2.2	2.1	2.0	1.1	1.0	0.9	1.1	1.1	1.1	0.5	0.8	1.0	8.8	10.5				
TOTAL EXPORTS	375.5	359.3	338.1	189.7	185.8	178.5	185.8	173.5	159.6	117.7	136.8	132.7	1 269.1	1 418.1	1 4			
FRANCE																		
1. Food, drink and tobacco	17.7	18.5	20.5	14.8	15.5	17.4	2.9	3.0	3.1	7.7	8.6	5.7	4.9	6.5				
<i>of which : Cereals and preparations</i>	—	—	—	—	—	—	—	—	—	0.1	0.4	—	—	0.8				
Fruits and vegetables	3.5	1.8	3.4	2.7	1.4	2.9	0.8	0.4	0.5	0.4	0.8	0.2	0.3	0.4				
Beverages	9.6	13.7	11.0	7.7	11.4	8.8	1.9	2.3	2.2	4.4	4.7	4.7	4.4	5.0				
2. Mineral fuels and petroleum products	0.2	1.1	0.1	0.2	1.1	0.1	—	—	—	0.5	0.6	0.6	11.1	8.5				
3. Metallic ores and base metals	20.6	15.4	9.0	19.5	15.0	8.7	1.1	0.4	0.3	16.7	20.1	21.0	11.9	8.9				
<i>of which : Ores and scrap</i>	1.3	1.2	0.8	1.3	1.2	0.8	—	—	—	—	—	—	0.1	0.1				
Iron and steel	15.8	10.9	5.3	14.7	10.5	5.0	1.1	0.4	0.3	15.3	18.8	18.7	11.8	8.7				
4. Oil-seeds, fats and oils	0.7	0.8	0.7	0.7	0.8	0.7	—	—	—	2.6	0.4	1.1	0.5	0.2				
5. Textile fibres, natural	3.1	1.6	2.1	2.9	1.4	1.9	0.2	0.2	0.2	1.5	1.2	3.9	0.2	0.1				
6. Selected construction materials	1.5	0.9	0.9	1.2	0.7	0.7	0.3	0.2	0.2	0.8	1.1	1.2	3.4	2.5				
7. Other raw materials	5.4	3.7	3.6	5.0	3.4	3.4	0.4	0.3	0.2	0.5	1.0	1.0	0.2	0.1				
8. Metal manufactures	1.2	1.0	1.5	0.9	0.8	1.3	0.3	0.2	0.2	5.9	6.5	5.3	2.3	1.6				
9. Power-generating (except electric) machinery	0.3	0.5	0.4	0.3	0.5	0.4	—	—	—	2.1	2.4	1.7	0.4	0.4				
10. Agricultural machinery	—	—	—	—	—	—	—	—	—	0.3	0.3	0.1	0.1	0.1				
11. Metal-working, mining, construction and other industrial machinery	2.8	1.9	2.1	2.5	1.7	1.9	0.3	0.2	0.2	14.7	12.0	10.3	1.3	1.3				
12. Electric machinery	0.4	0.4	1.1	0.3	0.3	1.0	0.1	0.1	0.1	2.6	3.3	3.8	0.5	0.3				
13. Tractors, other than steam	—	—	—	—	—	—	—	—	—	1.1	2.2	2.8	0.1	0.2				
14. Railway vehicles	—	—	—	—	—	—	—	—	—	1.8	1.1	2.6	1.0	3.0				
15. Road motor vehicles	0.6	0.1	1.1	0.5	0.1	1.0	0.1	—	0.1	5.3	2.9	4.8	1.4	1.6				
16. Other vehicles	2.5	0.5	0.5	0.2	0.5	0.4	2.3	—	0.1	0.3	2.2	0.7	0.1	3.5				
17. Chemicals	9.3	9.3	6.8	8.6	8.1	6.2	0.7	1.2	0.6	13.8	17.0	12.1	8.8	6.0				
18. Textile manufactures and clothing	18.4	17.0	14.0	16.0	15.3	12.5	2.4	1.7	1.5	7.5	10.4	11.1	7.1	8.6				
<i>of which : Textile yarns (including synthetic fibres)</i>	3.1	2.1	2.1	2.7	1.9	2.0	0.4	0.2	0.1	5.5	7.2	8.1	2.5	2.9				
Cotton fabrics	0.6	0.4	0.4	0.5	0.3	0.4	0.1	0.1	—	—	0.1	0.2	0.4	0.5				
Other fabrics	12.3	10.9	9.2	10.7	9.9	8.1	1.6	1.0	1.1	1.7	2.6	2.4	3.8	4.8				
19. Paper, manufactures of wood and paper (excluding furniture)	0.8	1.1	0.6	0.7	1.0	0.5	0.1	0.1	0.1	0.5	0.4	0.6	0.6	0.5				
20. All other commodities	11.5	13.4	12.9	9.4	11.4	10.9	2.1	2.0	2.0	6.3	8.0	7.6	4.1	4.5				
TOTAL EXPORTS	97.0	87.2	77.9	83.7	77.6	69.0	13.3	9.6	8.9	92.5	101.7	98.0	60.0	58.4				

Source : See Appendix B.

f Including ship's stores.

a Including British colonies.

g Excluding bunkers.

b Excluding the sterling area.

h Including bunkers.

c Including unallocated exports.

d Figures for the first half of

III

MAIN COMMODITY GROUPS AND BY AREA OF DESTINATION

(In prices, f.o.b.)

AFFILIATED OVERSEAS AREAS ^b			OTHER OVERSEAS COUNTRIES			TOTAL OVERSEAS COUNTRIES ^c			WESTERN EUROPE			EASTERN EUROPE			TOTAL WORLD			of which : DOLLAR AREA			Group
1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			
1st half	2nd half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	2nd half	First half	First half	Second half	First half	First half	Second half	First half	
5	3.3	3.4	14.6	16.0	14.6	143.8	172.1	162.2	43.4	46.5	46.5	1.3	3.4	7.0	188.5	222.0	215.7	41.8	53.6	46.4	1.
2	8.3	15.0	3.9	4.7	5.2	45.4	63.4	66.2	124.1	117.4	122.3	—	—	—	169.5	180.8	188.5	1.9	3.2	1.8	2.
7	1.3	1.2	8.4	8.5	8.8	134.7	132.8	140.8	62.4	73.1	69.8	0.3	0.8	0.4	197.4	206.7	211.0	36.3	40.4	31.6	3.
1	1.1	1.0	6.3	6.6	7.0	96.1	94.0	108.9	35.9	42.6	37.6	0.1	0.4	0.4	132.1	137.0	146.9	19.9	21.9	20.4	4.
1	—	—	0.4	0.4	0.7	9.6	2.6	4.2	3.2	4.0	2.7	0.3	0.2	0.2	13.1	6.8	7.1	5.8	1.0	1.4	4.
5	0.6	0.7	2.2	2.1	2.3	34.0	38.3	33.4	43.0	40.2	48.0	1.9	3.1	8.1	78.9	81.6	89.5	19.0	15.9	16.2	5.
5	0.1	0.1	0.4	0.4	0.4	42.0	43.6	44.6	5.9	7.4	7.6	—	—	—	47.9	51.0	52.2	6.1	7.0	5.1	6.
5	3.9	2.5	6.9	5.9	5.9	7.1	8.6	9.0	9.9	9.5	12.1	0.4	—	0.2	17.4	18.1	21.3	3.1	3.9	3.5	7.
1	1.6	1.5	5.5	4.6	6.1	98.7	120.4	106.6	37.0	56.2	49.7	0.1	0.1	0.1	135.8	176.7	156.4	16.2	17.1	17.8	8.
5	0.5	0.9	0.5	0.5	0.7	59.5	58.7	67.4	21.8	20.7	25.1	0.3	0.2	0.2	81.6	79.6	92.7	10.3	10.0	11.7	9.
						9.4	10.0	10.8	8.3	4.6	8.1	—	—	—	17.7	14.6	18.9	2.0	0.9	2.1	10.
8	5.6	5.4	14.9	14.0	17.0	199.1	183.2	202.8	89.0	84.5	93.9	1.6	2.0	1.3	289.7	269.7	298.0	32.6	31.4	33.3	11.
8	1.7	1.9	9.1	8.4	8.7	151.8	140.5	148.1	38.9	42.2	48.2	2.2	5.8	4.1	192.9	188.5	200.4	15.7	16.2	15.5	12.
5	1.4	1.4	0.9	0.8	1.0	24.1	23.2	31.6	26.7	18.8	22.7	—	—	—	50.8	42.0	54.3	4.4	3.1	9.2	13.
4	0.9	0.9	4.7	2.3	4.9	39.2	39.8	45.9	7.1	9.5	7.8	0.5	0.7	0.1	46.8	50.0	53.8	1.0	5.8	3.0	14.
5	5.8	5.5	6.8	15.4	9.7	145.8	225.2	203.0	57.2	96.7	94.8	—	0.9	0.3	203.0	322.8	298.1	43.5	31.0	35.0	15.
0	1.8	2.0	15.0	23.1	17.2	113.0	66.4	75.4	54.5	18.8	41.1	0.4	—	—	167.9	84.8	116.5	21.0	21.2	15.7	16.
2	3.4	4.8	16.3	15.4	17.8	145.7	169.4	180.3	66.3	65.8	79.2	1.3	1.3	1.8	213.3	236.5	261.3	27.0	28.6	26.5	17.
7	7.3	8.6	18.4	18.6	18.1	327.2	378.2	355.2	110.9	108.1	106.4	0.2	0.6	1.7	438.3	486.9	463.3	86.8	84.5	72.3	18.
7	0.1	0.1	4.1	5.3	4.5	49.3	57.0	51.0	32.1	31.4	31.8	0.2	0.5	1.5	81.6	88.9	84.3	12.8	10.3	8.9	
2	5.1	6.2	5.8	4.4	4.4	99.2	111.4	104.6	16.1	15.1	15.4	—	—	—	115.3	126.5	120.0	7.4	7.4	6.2	
2	1.8	1.9	7.8	8.0	8.4	155.0	180.1	176.0	47.3	47.4	48.8	—	0.1	0.2	202.3	227.6	225.0	58.0	53.3	50.5	
11	0.2	0.2	0.7	0.9	1.0	22.5	28.0	30.7	4.5	6.0	6.7	—	—	0.1	27.0	34.0	37.5	2.0	2.3	2.7	19.
9	4.2	4.7	14.8	15.1	15.3	212.2	231.9	235.2	92.9	102.9	102.7	2.6	3.8	2.3	307.7	338.6	340.2	56.9	60.6	57.8	20.
3	0.2	0.2	1.2	1.2	1.3	13.0	14.8	15.8	5.9	6.5	6.9	0.1	0.2	0.1	19.0	21.5	22.8	2.5	2.6	2.5	
	51.9	60.7	150.7	170.2	162.8	1 964.8	2 136.3	2 153.4	907.0	932.9	995.4	13.4	22.5	27.9	2 885.2	3 091.7	3 176.7	433.4	437.7	408.6	TOTAL EXPORTS
3	117.8	135.9	3.5	3.0	6.3	156.1e	154.4e	177.2e	73.6	94.1	124.2	0.3	1.0	12.6	231.5f	251.0f	315.5f	21.4	23.4	25.4	1.
5	13.4	25.9	0.8	0.6	3.4	21.0	15.2	31.6	12.3	10.8	40.2	—	—	3.4	33.3	26.0	75.2	—	—	0.1	
2	16.2	9.4	0.2	0.1	0.1	13.6e	19.3e	13.5e	11.7	24.8	11.8	0.1	0.3	0.1	25.7f	44.7f	25.7f	3.5	2.0	3.5	
9	25.1	29.7	1.8	1.5	1.6	52.1e	50.0e	52.0e	37.1	38.7	43.3	0.1	0.3	1.1	89.6f	89.3f	97.0f	13.1	17.8	15.4	
7	37.0	39.5	16.1	14.9	12.0	66.6g	62.1g	61.2g	79.9	76.0	72.0	—	0.1	0.2	153.4h	143.6h	138.7h	0.2	1.1	0.1	2.
9	29.1	34.7	16.0	9.5	9.2	98.1	83.0	81.7	107.4	94.2	116.1	9.9	10.2	3.8	215.4	187.4	201.6	29.2	22.0	16.3	3.
	0.1	—	—	0.2	—	1.4	1.6	0.8	22.7	28.1	29.6	—	0.1	—	24.1	29.8	30.4	1.3	1.2	0.8	
4	26.2	31.5	15.8	9.1	8.6	88.1	73.7	71.7	76.4	58.1	77.2	9.5	9.7	3.5	174.0	141.5	152.4	24.4	17.3	12.3	
2	5.7	3.7	0.3	0.2	0.2	12.3	7.3	6.1	4.7	1.6	1.9	0.2	0.1	0.1	17.2	9.0	8.1	0.8	0.8	0.8	4.
4	1.0	1.5	9.3	3.0	1.5	16.5	6.9	9.1	57.4	48.0	63.4	1.5	0.5	1.2	75.4	55.4	73.7	3.1	1.7	2.2	5.
7	12.3	14.8	1.0	0.7	0.8	20.4	17.5	18.2	4.8	5.7	6.1	0.1	0.1	—	25.3	23.3	24.3	1.9	1.5	0.3	6.
6	7.5	8.7	0.6	0.7	0.7	15.3	13.0	14.1	35.3	36.0	39.2	0.7	0.2	0.9	51.3	49.2	54.2	5.4	3.8	3.6	7.
8	27.3	39.3	1.6	2.1	3.1	43.8	38.5	50.4	7.5	8.4	10.4	0.3	0.5	0.3	51.6	47.4	61.1	4.6	2.5	3.3	8.
6	6.7	8.2	0.6	0.4	0.6	13.0	10.4	11.3	4.9	4.5	4.2	0.3	0.1	0.1	18.2	15.0	15.6	0.8	1.2	0.7	9.
8	1.8	3.2	0.1	0.1	—	3.3	2.3	3.4	3.1	0.9	2.5	0.1	—	—	6.5	3.2	5.9	0.1	0.1	—	10.
9	23.7	26.1	3.4	3.0	3.5	53.1	41.9	43.6	33.7	28.5	25.6	2.1	1.0	1.4	88.9	71.4	70.6	9.9	6.2	5.6	11.
9	20.7	24.2	2.1	1.7	2.0	31.5	26.4	31.6	10.5	11.1	18.2	0.5	0.5	1.2	42.5	38.0	51.0	1.4	1.7	2.6	12.
3	1.2	1.4	—	—	—	2.5	3.6	4.3	0.8	0.8	0.6	—	—	—	3.3	4.4	4.9	0.2	0.1	—	13.
7	4.7	4.2	0.1	0.2	0.7	6.6	9.0	11.8	4.9	3.9	2.1	0.1	—	—	11.6	12.9	13.9	1.3	0.8	—	14.
4	34.0	46.7	2.4	2.0	2.3	51.1	40.6	57.7	21.4	20.7	30.1	0.5	0.3	0.2	73.0	61.6	88.0	1.8	0.4	1.8	15.
9	5.9	6.9	0.3	0.3	7.3	11.1	12.4	18.8	2.3	1.6	3.2	—	—	0.7	13.4	14.0	22.7	2.6	0.9	1.1	16.
6	50.8	57.8	10.0	9.8	16.7	95.5	92.9	102.2	52.8	49.3	61.3	2.2	2.8	2.1	150.5	145.0	165.6	11.9	12.8	10.3	17.
0	116.2	120.0	10.5	11.9	11.6	165.5	164.1	167.3	69.1	70.0	78.0	0.6	2.6	6.2	235.2	236.7	251.5	21.5	21.0	18.7	18.
6	8.0	9.2	4.2	4.1	4.5	25.9	24.3	27.2	37.3	36.6	40.9	0.1	1.7	2.2	63.3	62.6	70.3	5.3	4.5	5.6	
1	56.0	60.7	0.6	0.7	0.7	62.7	57.7	63.0	3.9	3.5	4.8	—	—	—	66.6	61.2	67.8	0.6	0.4	0.4	
9	41.4	38.0	5.3	6.3	5.9	64.0	66.0	61.4	22.9	24.1	27.0	0.4	0.9	4.0	87.3	91.0	92.4	13.0	12.2	10.1	
2	13.6	15.9	1.2	0.6	1.0	21.3	16.2	18.8	9.1	10.0	11.4	0.2	0.1	0.6	30.6	26.3	30.8	0.9	1.4	0.8	19.
2	102.1	110.5	6.1	5.7	6.4	134.2	133.7	143.1	47.2	46.3	54.3	0.6	0.7	1.5	182.0	180.7	198.9	13.8	17.2	16.5	20.
1	619.1	703.2	85.2	69.8	85.9	1 017.8	936.2	1 031.9	630.4	611.6	724.8	20.2	20.8	33.1	1 676.8	1 575.5	1 796.6	132.8	120.6	110.1	TOTAL EXPORTS

not comparable with previous periods : for 1953 item 732-06 (parts of road motor vehicles) has been included in group 16 "Other vehicles". e Excluding ship's stores.

EXPORTS OF SELECTED EUROPEAN COUNTRIES AND THE UNITED STATES

Millions of dollars

Exporting country and commodity group	Area of destination and period	NORTH AMERICA		of which :						LATIN AMERICA			OVERSEAS STERLING AREA ^a					
					UNITED STATES			CANADA										
		1953		1954	1953		1954	1953		1954	1953		1954	1953		1954		
		First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half		
WESTERN GERMANY																		
1. Food, drink and tobacco	6.0	11.3	10.1	5.9	11.2	9.9	0.1	0.1	0.2	1.1	2.0	1.8	2.1	2.7	4.0	2.1	2.7	4.0
2. Mineral fuels and petroleum products	1.4	1.2	1.8	1.4	1.2	1.8	—	—	—	—	0.4	0.4	0.1	1.1	0.0	0.1	1.1	0.0
3. Metallic ores and base metals	16.1	18.8	18.0	16.0	18.3	17.3	0.1	0.5	0.7	12.1	20.5	22.0	6.2	5.9	7.0	6.2	5.9	7.0
<i>of which : Iron and steel</i>	10.1	13.8	9.8	10.0	13.3	9.2	0.1	0.5	0.6	8.9	17.3	19.2	5.1	5.9	6.0	5.1	5.9	6.0
4. Oil-seeds, fats and oils	1.0	0.9	1.4	1.0	0.9	1.3	—	—	0.1	1.8	0.1	0.8	0.1	0.3	0.0	0.1	0.3	0.0
5. Textile fibres, natural	0.8	1.1	0.6	0.8	1.1	0.6	—	—	—	—	0.1	—	—	—	—	—	—	—
6. Selected construction materials	1.8	2.2	1.9	1.5	1.3	1.4	0.3	0.9	0.5	7.2	7.4	4.4	3.2	2.0	2.0	3.2	2.0	2.0
7. Other raw materials	3.0	2.6	2.7	3.0	2.5	2.6	—	0.1	0.1	0.5	0.5	0.6	0.4	0.3	0.0	0.4	0.3	0.0
8. Metal manufactures	6.6	9.5	12.1	5.3	8.1	10.3	1.3	1.4	1.8	13.6	16.0	16.5	9.9	11.7	12.0	9.9	11.7	12.0
9. Power-generating (except electric) machinery	0.2	0.5	0.2	0.2	0.4	0.2	—	0.1	—	4.6	7.5	7.1	2.8	5.5	4.0	2.8	5.5	4.0
10. Agricultural machinery	0.1	—	0.2	—	—	0.1	0.1	—	0.1	1.0	1.3	0.9	0.3	0.7	0.0	0.3	0.7	0.0
11. Metal-working, mining, construction and other industrial machinery	14.9	17.8	15.0	12.5	15.7	12.5	2.4	2.1	2.5	28.5	40.9	31.0	21.9	37.2	24.0	21.9	37.2	24.0
12. Electric machinery	1.3	1.8	2.0	1.1	1.6	1.7	0.2	0.2	0.3	12.8	21.0	26.9	8.1	10.2	10.0	8.1	10.2	10.0
13. Tractors, other than steam	—	—	0.1	—	—	0.1	—	—	—	6.3	1.9	1.9	0.7	1.1	1.0	0.7	1.1	1.0
14. Railway vehicles	—	—	—	—	—	—	—	—	—	0.8	4.4	3.8	6.6	9.4	7.0	6.6	9.4	7.0
15. Road motor vehicles	2.3	2.4	3.9	1.5	1.7	2.7	0.8	0.7	1.2	11.3	14.1	10.5	3.0	3.5	7.0	3.0	3.5	7.0
16. Other vehicles	0.7	1.3	3.5	0.7	1.3	3.4	—	—	0.1	4.9	3.0	3.9	1.8	0.7	2.0	1.8	0.7	2.0
17. Chemicals	27.8	17.4	15.1	26.4	15.6	13.9	1.4	1.8	1.2	19.7	34.0	36.1	21.8	28.6	27.0	21.8	28.6	27.0
18. Textile manufactures and clothing	8.9	8.8	5.8	7.5	7.2	4.5	1.4	1.6	1.3	3.4	5.8	6.0	12.0	20.4	21.0	12.0	20.4	21.0
<i>of which : Textile yarns (including synthetic fibres)</i>	3.5	2.2	1.1	3.4	2.1	0.9	0.1	0.1	0.2	1.7	2.5	2.8	1.9	2.9	3.0	1.9	2.9	3.0
<i>Cotton fabrics</i>	0.9	0.8	0.7	0.4	0.4	0.4	0.5	0.4	0.3	0.2	0.4	0.4	4.0	5.8	5.0	4.0	5.8	5.0
<i>Other fabrics</i>	3.8	4.3	2.6	3.2	3.6	2.1	0.6	0.7	0.5	1.3	2.2	2.1	5.7	10.9	11.0	5.7	10.9	11.0
19. Paper, manufactures of wood and paper (excluding furniture)	1.0	1.0	1.2	0.8	0.8	1.0	0.2	0.2	0.2	1.1	1.2	1.5	0.7	0.9	1.0	0.7	0.9	1.0
20. All other commodities	37.0	43.8	32.6	34.1	39.4	28.8	2.9	4.4	3.8	13.1	22.5	20.4	13.6	19.7	20.0	13.6	19.7	20.0
<i>of which : Instruments and watches</i>	16.0	17.6	11.9	14.6	15.7	10.2	1.4	1.9	1.7	4.0	6.3	6.0	6.5	8.7	7.0	6.5	8.7	7.0
TOTAL EXPORTS	130.9	142.4	128.2	119.7	128.3	114.1	11.2	14.1	14.1	143.8	204.6	196.5	115.3	161.9	155.0	115.3	161.9	155.0
ITALY																		
1. Food, drink and tobacco	12.3	17.8	10.2	11.0	15.9	9.4	1.3	1.9	0.8	1.4	2.8	1.8	4.3	5.7	3.0	4.3	5.7	3.0
<i>of which : Cereals and preparations</i>	0.2	0.3	0.2	0.1	0.3	0.2	0.1	—	—	—	—	—	0.9	0.6	0.0	0.9	0.6	0.0
<i>Fruits</i>	2.3	4.6	1.3	1.5	3.6	0.9	0.8	1.0	0.4	0.2	0.7	0.2	1.3	1.8	0.0	1.3	1.8	0.0
<i>Vegetables</i>	2.1	3.9	2.4	2.1	3.4	2.3	—	0.5	0.1	0.1	0.7	0.4	1.2	2.3	1.0	1.2	2.3	1.0
2. Mineral fuels and petroleum products	0.2	0.7	0.4	0.2	0.7	0.4	—	—	—	—	—	0.2	23.0	25.0	18.0	23.0	25.0	18.0
3. Metallic ores and base metals	6.8	3.3	2.0	6.5	2.9	1.3	0.3	0.4	0.7	3.9	3.2	5.7	2.6	3.6	2.0	2.6	3.6	2.0
<i>of which : Iron and steel</i>	3.7	1.3	1.3	3.4	0.9	0.7	0.3	0.4	0.6	1.7	2.1	2.7	2.2	3.1	1.0	2.2	3.1	1.0
4. Oil-seeds, fats and oils	2.2	2.0	2.7	2.0	1.8	2.5	0.2	0.2	0.2	1.7	0.6	1.9	0.3	0.4	0.0	0.3	0.4	0.0
5. Textile fibres, natural	1.2	1.0	1.3	1.2	1.0	1.3	—	—	—	0.6	0.5	1.2	—	—	0.0	—	—	0.0
6. Selected construction materials	1.1	1.2	1.1	1.0	1.0	1.0	0.1	0.2	0.1	0.9	1.3	1.0	0.4	0.4	0.0	0.4	0.4	0.0
7. Other raw materials	2.4	2.9	2.2	2.3	2.6	2.1	0.1	0.3	0.1	1.0	1.2	1.5	0.6	0.5	0.0	0.6	0.5	0.0
8. Metal manufactures	2.9	2.3	3.1	2.8	2.0	2.6	0.1	0.3	0.5	1.3	2.0	2.8	1.8	1.2	2.0	1.8	1.2	2.0
9. Power-generating (except electric) machinery	0.5	0.4	0.3	0.5	0.4	0.3	—	—	—	1.4	2.1	2.6	0.2	0.2	0.0	0.2	0.2	0.0
10. Agricultural machinery	—	—	—	—	—	—	—	—	—	0.3	0.3	0.1	—	0.1	0.0	—	0.1	0.0
11. Metal-working, mining, construction and other industrial machinery	7.4	5.8	5.4	6.6	5.2	4.9	0.8	0.6	0.5	9.9	14.4	13.3	2.4	2.3	4.0	2.4	2.3	4.0
12. Electric machinery	0.1	0.6	0.6	0.1	0.6	0.6	—	—	—	4.1	6.7	4.0	1.3	0.8	1.0	1.3	0.8	1.0
13. Tractors, other than steam	—	—	—	—	—	—	—	—	—	5.7	2.8	0.9	0.2	0.2	0.0	0.2	0.2	0.0
14. Railway vehicles	—	—	—	—	—	—	—	—	—	—	—	—	1.2	2.0	3.0	1.2	2.0	3.0
15. Road motor vehicles	1.4	1.0	0.9	1.4	1.0	0.9	—	—	—	1.9	2.9	6.3	2.2	1.9	2.0	2.2	1.9	2.0
16. Other vehicles	0.3	1.1	0.2	0.3	1.1	0.2	—	—	—	0.6	2.4	1.3	0.1	1.0	0.0	0.1	1.0	0.0
17. Chemicals	4.6	11.6	9.0	4.4	11.4	8.7	0.2	0.2	0.3	5.0	4.0	4.7	5.9	3.6	4.0	5.9	3.6	4.0
18. Textile manufactures and clothing	15.6	15.9	11.6	14.1	14.4	10.3	1.5	1.5	1.3	4.7	6.4	5.7	34.3	47.7	43.0	34.3	47.7	43.0
<i>of which : Textile yarns (including synthetic fibres)</i>	1.7	1.0	0.6	1.5	1.0	0.5	0.2	—	0.1	0.9	1.6	1.5	11.1	13.2	17.0	11.1	13.2	17.0
<i>Cotton fabrics</i>	1.8	2.2	1.5	1.8	2.1	1.4	—	0.1	0.1	0.7	0.6	0.6	3.1	4.5	3.0	3.1	4.5	3.0
<i>Other fabrics</i>	9.2	9.0	6.7	8.1	8.0	5.9	1.1	1.0	0.8	2.5	3.1	2.6	18.3	27.6	20.0	18.3	27.6	20.0
19. Paper, manufactures of wood and paper (excluding furniture)	1.2	1.6	1.1	1.1	1.5	1.0	0.1	0.1	0.1	0.4	0.7	0.5	0.9	0.8	1.0	0.9	0.8	1.0
20. All other commodities	7.2	10.1	6.7	6.6	9.4	6.2	0.6	0.7	0.5	1.7	4.0	3.0	3.0	3.5	3.0	3.0	3.5	3.0
TOTAL EXPORTS	67.4	79.3	58.8	62.1	72.9	53.7	5.3	6.4	5.1	46.5	58.3	58.5	84.7	100.9	91.0	84.7	100.9	91.0

Sources : See Appendix B.

^a Including British colonies.

^b Excluding the sterling area.

^c Including unallocated exports.

III (continued)

MAIN COMMODITY GROUPS AND BY AREA OF DESTINATION

00 prices, f.o.b.

AFFILIATED OVERSEAS AREAS ^b			OTHER OVERSEAS COUNTRIES			TOTAL OVERSEAS COUNTRIES ^c			WESTERN EUROPE			EASTERN EUROPE			TOTAL WORLD			of which : DOLLAR AREA			Group
1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			
1st half	2nd half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	2nd half	First half	First half	Second half	First half	First half	Second half	First half	
0.7	0.8	—	1.8	2.4	3.0	11.7 ^d	19.1 ^d	19.7 ^d	27.4	34.7	32.6	1.4	1.0	0.7	40.8 ^e	55.8 ^e	53.8 ^e	6.3	12.2	11.2	1.
—	0.1	—	0.3	0.3	0.3	1.8 ^f	3.0 ^f	3.4 ^f	165.4	166.1	161.4	—	0.6	1.8	169.0 ^g	178.4 ^g	175.4 ^g	1.5	1.2	1.9	2.
2.2	2.6	2.1	10.6	11.0	19.9	46.1	58.4	70.2	82.1	98.2	112.1	4.7	4.9	4.5	132.9	161.5	186.8	20.1	24.5	25.8	3.
0.4	1.0	—	8.9	10.4	16.6	33.8	49.5	53.0	50.8	79.0	74.8	4.6	4.9	3.8	89.2	133.4	131.6	13.7	19.8	16.7	4.
—	—	—	1.0	1.6	1.5	4.1	3.3	5.4	3.4	5.1	5.0	0.5	0.7	0.7	8.0	9.1	11.1	1.0	1.0	2.1	5.
1.5	1.8	0.1	2.5	2.6	2.3	0.8	1.3	0.7	8.5	11.2	10.7	0.3	0.2	0.5	9.6	12.7	11.9	0.8	1.2	0.5	6.
0.1	0.1	—	0.2	0.3	0.3	16.0	15.7	13.0	16.8	20.3	17.7	0.6	1.1	0.4	33.4	37.1	31.1	3.5	4.0	4.7	7.
3.0	3.6	0.8	7.4	9.0	10.8	4.1	3.8	4.0	14.8	20.6	21.5	0.3	0.4	0.3	19.2	24.8	25.8	3.1	2.7	2.8	8.
0.8	0.6	—	2.4	3.0	3.2	39.6	49.2	55.1	42.2	47.0	47.2	0.5	0.8	0.4	82.3	97.0	102.7	15.3	19.9	22.7	9.
0.2	0.4	—	0.1	0.2	0.5	10.9	17.3	15.9	29.0	28.8	27.5	0.6	1.2	1.1	40.5	47.3	44.5	1.2	1.9	1.6	10.
—	—	—	—	—	—	1.7	2.4	2.5	10.0	6.6	11.9	0.1	—	0.1	11.8	9.0	14.5	0.2	0.2	0.4	11.
5.4	5.6	—	13.4	20.8	19.0	82.4	122.1	95.1	211.4	216.7	209.2	2.8	2.9	2.7	296.6	341.7	307.0	25.3	32.6	26.5	12.
2.4	2.3	—	8.6	11.4	12.2	32.9	46.8	53.4	66.2	83.6	84.9	1.6	2.3	4.1	100.7	132.7	142.4	6.2	8.5	10.3	13.
0.6	0.4	—	0.3	0.4	0.7	7.8	4.0	4.2	11.3	11.4	12.3	—	—	0.6	19.1	15.4	17.1	0.1	0.1	0.2	14.
0.1	1.2	—	1.0	0.4	0.3	8.6	14.3	12.4	7.1	11.1	8.6	—	0.2	—	15.7	25.6	21.0	0.1	0.5	1.3	15.
2.8	4.0	—	3.2	5.4	8.5	22.0	28.2	34.1	55.4	66.1	88.0	0.1	0.2	0.1	77.5	94.5	122.2	3.7	4.8	7.1	16.
0.4	0.5	—	2.9	15.0	20.2	10.5	20.4	30.2	15.8	26.4	17.5	—	—	—	26.3	46.8	47.7	5.1	3.8	6.3	17.
2.3	2.8	—	27.7	33.9	33.9	99.2	116.2	115.8	127.6	163.6	173.4	4.4	5.9	7.4	231.2	285.7	296.6	35.7	29.2	29.1	18.
6.1	5.7	—	5.6	10.2	8.0	34.0	51.3	46.6	73.9	93.5	93.0	0.4	1.1	2.3	108.3	145.9	141.9	10.8	12.3	9.5	19.
—	—	—	0.9	1.1	1.9	8.0	8.7	9.5	13.8	19.3	18.3	0.4	1.1	1.7	22.2	29.1	29.5	4.4	3.5	2.7	20.
3.8	2.5	—	1.2	2.4	1.2	9.1	13.2	10.1	21.4	22.1	21.4	—	—	0.1	30.5	35.3	31.6	1.1	2.1	0.9	
2.2	3.0	—	3.2	6.1	4.4	15.2	25.7	23.3	30.5	38.7	39.1	—	—	0.5	45.7	64.4	62.9	4.4	4.7	3.9	
0.1	0.2	—	0.8	0.8	0.6	3.7	4.0	4.6	6.4	8.4	10.3	0.1	0.1	0.2	10.2	12.5	15.1	1.2	1.5	1.7	19.
3.3	3.1	—	10.6	11.6	12.9	76.5 ^d	100.9 ^d	89.3 ^d	98.2	130.0	129.2	0.9	1.1	2.3	175.9 ^e	232.8 ^e	221.8 ^e	44.8	58.4	45.0	20.
1.0	0.9	—	4.9	4.7	5.4	32.1	38.3	31.4	25.5	30.7	33.2	0.7	0.5	0.4	58.3	69.5	65.0	18.8	21.3	15.3	
32.4	36.8	—	100.4	140.4	158.2	514.4	681.7	675.6	1072.9	1249.4	1274.0	19.3	24.7	30.2	1 609.0	1 966.3	1 990.4	186.0	220.5	210.7	TOTAL EXPORTS
2.6	1.9	—	11.1	5.3	10.1	34.3	35.3	27.9	100.4	124.8	100.5	4.4	7.1	6.3	139.1	167.2	134.7	13.4	19.9	11.7	1.
0.9	0.2	—	7.2	2.3	8.1	10.7	4.1	9.3	16.6	11.2	10.9	—	—	—	27.3	15.3	20.2	0.2	0.4	0.2	
0.6	0.5	—	2.3	1.0	0.7	6.6	8.7	3.5	45.1	77.1	48.9	4.0	5.5	5.6	55.7	91.3	58.0	2.4	4.9	1.5	
0.5	0.5	—	0.3	0.7	0.4	4.0	8.1	5.2	21.0	19.0	25.9	0.1	—	0.2	25.1	27.1	31.3	2.2	4.8	2.7	
3.4	4.9	—	6.9	8.4	4.3	33.2 ^f	37.6 ^f	28.5 ^f	23.4	34.9	31.4	—	—	—	65.3 ^g	84.8 ^g	67.2 ^g	0.3	0.7	0.6	2.
—	—	—	6.2	5.6	2.3	19.5	16.2	12.4	10.7	14.3	11.8	0.8	1.4	1.7	31.0	31.9	25.9	8.0	4.9	4.0	3.
—	—	—	1.9	2.2	1.0	9.5	9.0	6.8	6.3	8.8	4.6	0.6	0.7	0.9	16.4	18.5	12.3	4.8	2.7	3.2	
—	—	—	0.1	0.2	0.3	4.3	3.2	5.3	0.8	1.2	1.1	—	—	—	5.1	4.4	6.4	2.4	2.2	3.0	4.
—	—	—	0.1	0.3	—	1.9	1.8	2.6	9.0	10.0	10.8	0.6	0.7	0.7	11.5	12.5	14.1	1.4	1.3	2.2	5.
0.1	0.1	—	0.3	0.3	0.3	2.8	3.3	2.8	1.0	1.1	1.0	—	—	0.1	3.8	4.4	3.9	1.7	2.0	2.0	6.
0.2	0.2	—	0.8	1.2	0.7	4.9	6.0	5.1	12.1	12.5	12.3	0.7	0.8	0.5	17.7	19.3	17.9	3.1	3.9	3.3	7.
0.5	0.2	—	2.1	1.4	2.1	8.3	7.5	10.4	6.0	6.9	6.9	0.2	—	0.2	14.5	14.4	17.5	3.6	3.5	4.6	8.
0.2	0.2	—	0.3	0.7	0.4	2.9	3.9	4.5	5.7	5.7	6.4	1.3	2.5	4.6	9.9	12.1	15.5	0.6	0.8	0.4	9.
0.1	—	—	—	—	—	0.5	0.5	0.2	0.3	0.4	0.4	—	—	—	0.8	0.9	0.6	—	—	—	10.
1.2	1.3	—	2.4	3.2	3.9	23.6	26.9	28.1	23.3	20.3	22.1	3.6	3.9	2.2	50.5	51.1	52.4	11.4	10.8	10.1	11.
0.3	0.4	—	1.2	1.3	1.6	6.8	9.7	7.7	7.7	11.8	13.4	0.5	0.8	1.0	15.0	22.3	22.1	1.7	2.6	2.7	12.
0.5	0.5	—	0.1	0.1	0.1	7.0	3.6	1.7	3.1	2.4	1.8	0.2	0.1	—	10.3	6.1	3.5	—	—	—	13.
—	—	—	0.1	0.4	0.1	1.3	2.4	3.2	4.1	2.1	4.0	—	—	0.1	5.4	4.5	7.3	—	—	—	14.
0.7	0.9	—	1.7	2.7	2.6	8.0	9.2	12.7	22.5	16.8	20.8	0.2	0.2	0.1	30.7	26.2	33.6	2.2	1.9	2.2	15.
—	—	—	0.1	1.0	5.2	1.2	5.5	6.8	3.8	8.6	7.8	0.1	—	0.1	5.1	14.1	14.7	0.4	2.7	0.2	16.
0.3	0.4	—	7.5	6.4	7.2	23.4	26.0	26.1	21.6	20.9	31.6	2.7	2.6	2.9	47.7	49.5	60.6	6.2	13.4	11.0	17.
5.2	5.7	—	18.4	17.9	15.8	78.1	93.1	81.9	63.5	78.1	69.5	8.2	14.3	9.6	149.8	185.5	161.0	19.5	20.9	16.0	18.
0.6	0.4	—	9.6	6.2	6.8	23.7	22.8	26.8	15.8	16.8	18.3	6.3	9.9	7.6	45.8	49.5	52.7	2.3	1.7	1.4	
1.2	1.1	—	2.2	2.6	1.7	9.1	11.1	8.5	8.5	17.1	9.5	—	—	—	17.6	28.2	18.0	2.3	2.7	2.0	
2.9	3.9	—	5.9	8.3	6.6	39.1	50.9	40.1	28.1	34.0	31.4	2.0	4.4	2.0	69.2	89.3	73.5	11.4	11.6	8.9	
0.4	0.3	—	1.9	1.4	1.9	4.9	5.0	4.9	3.3	3.2	3.5	0.2	0.3	0.2	8.4	8.5	8.6	1.3	1.8	1.3	19.
0.9	1.0	—	2.3	3.1	3.0	14.9	21.6	16.8	12.8	18.7	28.8	0.2	0.1	0.2	27.9	40.4	45.8	8.3	11.7	8.1	20.
16.6	17.9	—	63.6	60.9	61.9	281.8	318.3	289.6	335.1	394.7	385.9	23.9	34.8	30.5	649.5	760.1	713.3	85.5	105.0	83.4	TOTAL EXPORTS

^d Excluding ship's stores.

^e Including ship's stores.

^f Excluding bunkers.

^g Including bunkers.

EXPORTS OF SELECTED EUROPEAN COUNTRIES AND THE UNITED STATES

Millions of dollars

Exporting country and commodity group	Area of destination and period	of which :									LATIN AMERICA			OVERSEAS STERLING AREA ^a		
		NORTH AMERICA			UNITED STATES			CANADA								
		1953	1954		1953	1954		1953	1954		1953	1954		1953	1954	
		First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half
BELGIUM-LUXEMBOURG																
1. Food, drink and tobacco		0.8	1.5	1.7	0.8	1.4	1.6	—	0.1	0.1	—	0.2	0.2	1.5	3.3	2.4
2. Mineral fuels and petroleum products		—	—	—	—	—	—	—	—	—	—	—	—	1.0	0.5	0.4
3. Metallic ores and base metals		44.4	44.9	30.3	40.9	40.2	28.6	3.5	4.7	1.7	13.4	12.4	23.8	9.9	14.7	18.3
<i>of which : Iron and steel</i>		26.4	25.5	11.3	24.0	22.9	10.0	2.4	2.6	1.3	12.4	11.2	22.8	8.0	13.4	16.8
4. Oil-seeds, fats and oils		1.4	1.4	0.1	1.4	1.4	0.1	—	—	—	0.6	0.7	1.1	0.2	0.4	0.3
5. Textile fibres, natural		2.3	2.0	2.7	2.1	1.9	2.7	0.2	0.1	—	0.4	0.8	2.0	0.4	0.3	0.3
6. Selected construction materials		7.4	5.8	5.2	5.9	4.0	4.2	1.5	1.8	1.0	1.4	1.9	2.3	3.0	3.5	3.8
7. Other raw materials		2.1	1.8	1.6	1.9	1.6	1.5	0.2	0.2	0.1	—	0.1	0.1	0.2	0.2	0.2
8. Metal manufactures		5.9	5.5	7.2	5.5	5.0	6.9	0.4	0.5	0.3	3.3	3.7	4.4	5.3	4.3	5.0
9. Power-generating (except electric) machinery		0.1	—	—	0.1	—	—	—	—	—	0.1	0.1	0.1	—	0.1	0.2
10. Agricultural machinery		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11. Metal-working, mining construction and other industrial machinery		3.2	1.5	2.5	2.9	1.3	2.4	0.3	0.2	0.1	0.7	1.5	0.8	0.9	1.1	1.0
12. Electric machinery		0.5	0.6	0.7	0.4	0.5	0.7	0.1	0.1	—	2.7	1.8	1.8	0.9	1.3	1.5
13. Tractors, other than steam		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14. Railway vehicles		—	—	—	—	—	—	—	—	—	1.7	1.6	0.8	2.9	6.7	8.1
15. Road motor vehicles		—	—	—	—	—	—	—	—	—	0.2	0.2	0.2	0.2	0.2	0.2
16. Other vehicles		—	0.1	0.1	—	0.1	0.1	—	—	—	—	—	—	0.1	—	0.1
17. Chemicals		8.9	7.1	5.9	8.3	6.1	5.7	0.6	1.0	0.2	3.0	4.3	2.1	4.7	9.5	11.0
18. Textile manufactures and clothing		22.5	19.8	19.6	18.9	15.7	15.5	3.6	4.1	4.1	4.2	5.0	3.8	7.5	12.1	15.2
19. Paper, manufactures of wood and paper (excluding furniture)		0.3	0.1	0.1	0.3	0.1	0.1	—	—	—	0.1	0.1	0.1	0.5	0.3	0.6
20. All other commodities		17.9	18.4	23.4	15.7	16.2	20.8	2.2	2.2	2.6	1.8	2.2	2.2	3.4	4.8	5.1
TOTAL EXPORTS		117.7	110.5	101.1	105.1	95.5	90.9	12.6	15.0	10.2	33.6	36.6	45.8	42.6	63.3	73.7
NETHERLANDS^f																
1. Food, drink and tobacco		20.2	24.6	33.6	19.2	22.3	32.6	1.0	2.3	1.0	8.8	8.5	12.8	27.7	36.1	29.9
<i>of which : Live animals and meat</i>		13.5	15.1	24.1	13.5	15.1	24.1	—	—	—	0.9	1.1	1.3	0.9	1.1	1.1
<i>Dairy products</i>		0.7	1.1	1.0	0.6	0.9	0.8	0.1	0.2	0.2	6.5	4.8	6.4	12.9	17.3	13.3
<i>Fruits and vegetables</i>		1.0	3.1	2.0	0.8	1.9	1.8	0.2	1.2	0.2	0.3	0.9	0.5	0.6	2.5	0.7
2. Mineral fuels and petroleum products		0.1	0.1	0.1	0.1	0.1	0.1	—	—	—	0.1	0.4	1.1	6.2	6.6	15.5
3. Metallic ores and base metals ^f		4.1	10.9	0.5	4.0	10.9	0.5	0.1	—	—	1.0	1.0	2.6	1.3	1.6	2.1
4. Oil-seeds, fats and oils		2.9	1.6	1.5	2.9	1.5	1.5	—	0.1	—	1.2	2.0	2.9	0.5	1.0	1.1
5. Textile fibres, natural ^f		0.5	0.3	0.4	0.4	0.2	0.3	0.1	0.1	0.1	0.3	0.1	0.2	—	—	—
6. Selected construction materials		0.1	0.1	—	0.1	—	—	—	0.1	—	0.1	0.3	0.3	0.6	0.5	0.7
7. Other raw materials ^f		4.2	10.9	3.0	3.4	9.7	2.3	0.8	1.2	0.7	0.9	0.4	0.7	0.4	0.6	0.7
8. Metal manufactures ^f		1.5	2.4	2.1	1.3	2.1	1.9	0.2	0.3	0.2	1.6	1.9	3.1	2.1	2.1	2.2
9. Power-generating (except electric) machinery		0.3	0.1	0.2	0.3	0.1	0.2	—	—	—	0.8	0.5	0.5	0.3	0.1	0.1
10. Agricultural machinery		—	0.1	—	—	—	—	—	0.1	—	0.1	—	0.1	—	—	—
11. Metal-working, mining, construction and other industrial machinery		0.7	0.6	1.1	0.6	0.5	0.9	0.1	0.1	0.2	2.0	2.4	1.8	1.7	2.4	3.3
12. Electric machinery		1.9	3.2	2.7	1.5	2.5	1.9	0.4	0.7	0.8	4.6	5.8	8.4	4.7	4.8	6.1
13. Tractors, other than steam		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14. Railway vehicles		—	—	—	—	—	—	—	—	—	9.6	10.8	10.1	0.1	—	0.1
15. Road motor vehicles		—	—	—	—	—	—	—	—	—	0.5	0.4	0.5	0.1	—	—
16. Other vehicles		0.5	3.7	1.3	0.5	3.6	1.3	—	0.1	—	1.0	4.2	5.3	1.7	5.5	2.1
17. Chemicals		10.4	8.1	9.7	10.1	7.2	9.4	0.3	0.9	0.3	2.9	4.0	5.7	5.7	7.2	9.9
18. Textile manufactures and clothing ^f		5.2	4.9	6.1	3.6	3.4	4.8	1.6	1.5	1.3	2.1	2.2	2.6	20.2	25.1	24.1
19. Paper, manufactures of wood and paper (excluding furniture) ^f		0.5	0.6	0.5	0.5	0.6	0.5	—	—	—	0.4	0.3	0.4	1.6	1.8	2.1
20. All other commodities ^f		20.9	21.1	19.1	19.5	20.4	18.4	1.4	0.7	0.7	1.0	2.2	1.8	3.2	4.4	3.3
TOTAL EXPORTS		74.0	93.3	81.9	68.0	85.1	76.6	6.0	8.2	5.3	39.0	47.4	60.9	78.1	99.8	105.1

Sources : See Appendix B. ^a Including British colonies. ^b Excluding the sterling area. ^c Including unallocated exports. ^d Excluding bunkers. ^e Including bunkers.

II (continued)

MAIN COMMODITY GROUPS AND BY AREA OF DESTINATION

Prices, f.o.b.

AFFILIATED OVERSEAS AREAS <i>b</i>		OTHER OVERSEAS COUNTRIES			TOTAL OVERSEAS COUNTRIES <i>c</i>			WESTERN EUROPE			EASTERN EUROPE			TOTAL WORLD			of which : DOLLAR AREA			GROUP
1953	1954	1953			1953			1953			1953			1953			1953			
2nd half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	2nd half	First half	First half	Second half	First half	First half	Second half	First half	
5.9	6.3	2.9	5.8	1.0	11.2	17.7	11.6	31.0	37.3	30.6	0.2	0.5	0.4	42.4	55.5	42.6	0.8	1.5	1.8	1.
0.6	0.7	0.2	1.3	0.6	1.6 <i>d</i>	2.4 <i>d</i>	1.7 <i>d</i>	45.2	53.8	52.6	—	0.4	1.4	50.8 <i>e</i>	61.1 <i>e</i>	61.2 <i>e</i>	—	—	—	2.
10.4	10.8	8.1	12.0	12.7	86.6	94.4	95.9	159.8	173.5	191.9	12.2	5.0	2.7	258.6	272.9	290.5	55.8	53.1	43.5	3.
8.7	9.5	6.9	10.0	10.9	63.7	68.8	71.3	94.3	90.6	101.3	11.9	4.8	1.9	169.9	164.2	174.5	37.3	33.2	24.1	4.
0.7	1.4	0.4	0.8	0.3	3.2	4.0	3.2	8.2	6.8	6.9	0.6	0.2	0.5	12.0	11.0	10.6	1.9	2.2	1.2	5.
0.1	0.2	2.0	7.0	5.0	5.2	10.2	10.2	59.4	56.4	57.6	5.5	4.2	9.8	70.1	70.8	77.6	2.5	2.4	3.2	6.
3.4	4.9	1.8	2.0	1.7	16.7	16.6	17.9	16.6	20.9	18.6	—	0.2	—	33.3	37.7	36.5	8.8	7.3	7.2	7.
0.2	0.2	0.3	0.3	0.3	2.8	2.6	2.4	16.9	18.4	17.5	0.1	0.1	0.3	19.8	21.1	20.2	2.1	1.9	1.6	8.
7.1	6.9	4.8	2.7	2.8	39.7	32.6	27.4	13.1	12.3	10.6	0.5	0.5	0.6	53.3	45.4	38.6	7.8	8.4	10.8	9.
1.1	1.5	0.1	0.1	0.1	1.9	1.4	1.9	3.2	4.2	2.7	—	0.1	0.5	5.1	5.7	5.1	0.1	0.1	—	10.
0.1	0.1	—	—	0.1	0.1	0.1	0.2	1.2	0.8	1.6	—	—	—	1.3	0.9	1.8	—	—	—	11.
5.9	6.7	1.0	0.7	0.6	14.3	10.7	11.6	19.7	15.3	18.3	0.7	1.1	0.6	34.7	27.1	30.5	3.6	2.0	3.0	12.
4.2	4.8	1.4	2.1	1.5	11.9	10.0	10.3	15.8	14.0	15.8	1.6	5.0	1.4	29.3	29.0	27.5	2.1	1.6	1.8	13.
—	0.1	—	—	—	—	—	0.1	—	0.1	—	—	—	—	—	0.1	0.1	—	—	—	14.
7.0	8.3	4.0	1.2	1.2	11.7	16.5	18.4	4.3	2.0	1.0	—	—	—	16.0	18.5	19.4	1.3	0.9	0.8	15.
2.0	1.6	—	0.2	0.3	2.9	2.6	2.3	7.4	9.0	12.9	—	—	—	10.3	11.6	15.2	0.1	0.1	0.1	16.
3.6	4.1	0.6	2.8	1.0	4.2	6.5	5.3	1.9	15.5	10.7	—	0.4	1.2	6.1	22.4	17.2	—	0.1	0.1	17.
3.8	3.8	11.1	5.9	7.1	30.3	30.6	29.9	37.0	45.2	53.9	2.2	2.8	3.3	69.5	78.6	87.1	10.4	9.6	6.9	18.
6.8	9.3	3.2	4.3	3.9	43.9	48.4	51.8	95.7	126.1	127.4	1.4	7.3	9.3	141.0	181.8	188.5	25.9	22.3	22.2	19.
1.5	1.4	0.2	0.2	0.2	3.1	2.2	2.4	7.0	6.4	7.6	0.1	0.2	0.5	10.2	8.8	10.5	0.3	0.2	0.2	20.
5.7	6.0	1.5	1.8	1.8	30.4	32.9	38.5	38.1	44.6	45.9	0.7	0.9	2.0	69.2	78.4	86.4	18.8	20.0	25.2	TOTAL EXPORTS
70.1	79.1	43.6	51.2	42.2	321.7	342.4	343.0	581.5	662.6	684.1	25.8	28.9	34.5	933.0	1 038.4	1 067.1	142.3	133.7	129.6	
16.2	15.8	17.7	18.6	21.0	91.4	104.0	112.8	213.1	248.5	221.5	6.5	31.0	15.0	311.0	383.5	349.3	29.3	32.6	43.7	1.
1.6	1.8	0.4	0.7	0.6	17.0	19.6	28.9	44.0	34.7	47.3	0.6	1.5	0.3	61.6	55.8	76.5	14.3	16.0	25.1	2.
8.5	8.4	8.1	8.3	11.7	37.5	40.0	41.4	75.7	95.1	78.8	0.4	19.5	5.1	113.6	154.6	125.3	7.4	6.7	8.9	3.
1.2	0.7	0.3	1.4	0.5	2.9	9.1	4.5	36.8	53.4	44.1	1.1	2.8	2.3	40.8	65.3	50.9	1.2	3.5	2.2	4.
1.6	3.9	0.7	1.4	2.9	9.3 <i>d</i>	10.1 <i>d</i>	23.8 <i>d</i>	57.4	82.6	99.8	—	—	—	74.3 <i>e</i>	102.5 <i>e</i>	135.0 <i>e</i>	0.2	0.2	0.2	5.
0.3	0.4	1.9	2.1	2.3	9.4	15.9	8.2	19.6	26.3	34.0	0.1	0.1	0.1	29.1	42.3	42.3	4.6	11.3	1.0	6.
0.6	0.7	0.5	0.9	0.7	5.5	6.1	7.0	12.5	14.3	18.4	0.6	1.2	2.0	18.6	21.6	27.4	4.1	3.6	4.2	7.
0.1	0.1	0.2	0.2	0.2	1.0	0.7	0.9	13.0	13.8	14.1	2.6	3.8	4.4	16.6	18.3	19.4	0.6	0.4	0.5	8.
0.4	0.4	0.7	1.0	0.5	2.2	2.3	1.7	5.0	5.8	5.3	0.1	0.1	0.1	7.3	8.2	7.1	0.2	0.1	0.2	9.
0.1	0.1	0.3	0.6	0.3	5.9	12.6	5.8	22.7	35.7	24.2	0.3	0.3	0.8	28.9	48.6	30.8	5.1	11.2	3.3	10.
1.4	1.5	2.4	3.0	2.4	9.7	10.8	11.4	8.6	7.3	6.7	0.1	0.1	—	18.4	18.2	18.1	2.6	3.6	3.7	11.
0.4	0.7	0.9	1.3	1.1	2.8	2.4	2.8	3.8	3.9	3.9	—	—	0.1	6.6	6.3	6.8	0.5	0.3	0.3	12.
—	—	—	—	—	0.1	0.1	0.1	0.4	0.5	0.9	—	—	—	0.5	0.6	1.0	—	0.1	—	13.
1.5	1.8	3.8	3.9	4.0	9.8	10.8	11.9	9.9	12.7	14.2	0.4	0.1	—	20.1	23.6	26.1	1.9	2.4	2.1	14.
1.6	2.0	5.6	7.7	6.7	18.6	23.1	26.7	31.8	37.4	42.3	0.1	—	0.1	50.5	60.5	69.1	4.6	6.2	6.9	15.
—	0.1	—	0.1	—	—	0.1	0.1	0.1	—	0.1	—	—	—	0.1	0.1	0.2	—	—	—	16.
—	—	1.0	0.2	1.0	10.7	11.0	12.0	0.1	0.8	0.6	—	—	—	10.8	11.8	12.6	—	—	—	17.
0.6	0.7	0.8	0.8	0.5	2.2	1.8	1.7	4.1	3.6	5.0	—	—	—	6.3	5.4	6.7	0.2	0.1	—	18.
0.7	0.9	4.5	6.9	5.0	8.6	21.0	14.5	27.8	32.7	30.5	0.8	1.3	5.3	37.2	55.0	50.3	0.6	6.5	6.2	19.
2.1	2.1	11.4	10.4	9.5	31.7	31.8	36.5	36.1	42.3	45.3	1.5	2.7	2.8	69.3	76.8	84.6	12.1	12.6	13.1	20.
5.9	5.5	9.2	11.1	9.2	42.7	49.2	48.1	61.4	69.5	65.6	0.7	1.6	4.1	104.8	120.3	117.8	6.2	6.1	7.6	TOTAL EXPORTS
0.8	0.7	1.4	1.6	1.1	4.4	5.1	4.7	10.2	12.7	14.0	—	—	—	14.6	17.8	18.7	0.8	0.8	0.8	
2.5	2.3	5.2	4.0	3.0	32.7 <i>g</i>	34.2 <i>g</i>	30.8 <i>g</i>	36.5	42.5	45.6	1.0	1.0	0.5	73.6 <i>h</i>	81.0 <i>h</i>	80.7 <i>h</i>	21.4	22.4	19.5	
36.8	39.7	68.2	75.8	71.4	298.7	353.1	361.5	574.1	692.9	692.0	14.8	43.3	35.3	898.6	1 102.4	1 104.0	95.0	120.5	113.3	TOTAL EXPORTS

Groups 3, 5, 7, 8, 18, 19 and 20 are not fully comparable with those of other countries. For further details, see Appendix B. *g* Excluding ship's stores. *h* Including ship's stores.

EXPORTS OF SELECTED EUROPEAN COUNTRIES AND THE UNITED STATES

Millions of dollars

Area of destination and period	NORTH AMERICA			of which :						LATIN AMERICA			OVERSEAS STERLING AREA ^a		
				UNITED STATES			CANADA								
				1953			1954								
	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half
DENMARK															
1. Food, drink and tobacco	16.5	20.5	21.5	16.2	20.1	21.2	0.3	0.4	0.3	5.0	4.7	6.1	4.4	6.0	4.0
<i>of which: Live animals and meat</i>	6.2	9.5	12.2	6.2	9.5	12.2	—	—	—	0.8	1.2	0.9	1.1	1.8	1.0
<i>Dairy products</i>	7.6	7.8	6.5	7.5	7.6	6.3	0.1	0.2	0.2	2.7	2.0	3.0	2.5	3.1	2.0
<i>Cereals and preparations</i>	0.1	0.2	0.1	0.1	0.2	0.1	—	—	—	1.2	0.4	1.3	0.1	0.2	0.0
2. Mineral fuels and petroleum products	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Metallic ores and base metals	2.7	2.1	2.7	2.7	2.1	2.7	—	—	—	0.5	0.3	0.7	—	—	—
4. Oil-seeds, fats and oils	0.1	—	0.1	0.1	—	0.1	—	—	—	—	0.1	0.2	—	0.2	0.0
5. Textile fibres, natural	—	—	—	—	—	—	—	—	—	—	—	0.1	—	—	—
6. Selected construction materials	0.1	0.2	0.1	0.1	0.1	0.1	—	0.1	—	2.4	0.8	0.5	0.2	0.3	0.0
7. Other raw materials	2.8	4.0	3.9	2.7	3.5	3.8	0.1	0.5	0.1	0.5	0.2	0.2	0.1	0.1	0.0
8. Metal manufactures	0.2	0.3	1.9	0.2	0.3	1.9	—	—	—	0.3	0.3	0.5	0.1	0.1	0.0
9-13. Machinery	0.8	0.8	0.9	0.6	0.7	0.6	0.2	0.1	0.3	4.7	5.7	8.0	1.3	1.5	2.0
14-16. Vehicles	—	0.1	0.1	—	0.1	0.1	—	—	—	0.8	0.2	1.6	—	—	—
17. Chemicals	0.6	0.7	0.6	0.5	0.6	0.5	0.1	0.1	0.1	0.7	1.2	1.8	4.4	1.4	1.0
18. Textile manufactures and clothing	0.4	0.6	0.7	0.4	0.6	0.6	—	—	0.1	1.5	0.6	1.2	0.1	0.1	—
19. Paper, manufactures of wood and paper (excluding furniture)	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	—	0.1	—	0.1	0.1	0.2	0.0
20. All other commodities	1.0	1.7	1.4	0.9	1.6	1.3	0.1	0.1	0.1	0.4	0.2	0.4	0.3	0.3	0.0
TOTAL EXPORTS	25.4	31.2	34.0	24.5	29.8	33.0	0.9	1.4	1.0	16.9	14.3	21.4	11.0	10.2	9.0
NORWAY															
1. Food, drink and tobacco	5.9	7.6	8.8	5.4	6.9	8.3	0.5	0.7	0.5	4.7	6.0	6.3	4.0	6.7	6.0
2. Mineral fuels and petroleum products	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Metallic ores and base metals	10.1	9.8	9.9	10.0	9.7	9.9	0.1	0.1	—	0.1	0.1	0.6	0.9	1.0	1.0
<i>of which: Ores and scrap</i>	—	0.2	0.1	—	0.1	0.1	—	0.1	—	—	—	—	—	—	—
<i>Iron and steel</i>	3.3	1.3	1.0	3.3	1.3	1.0	—	—	—	—	—	0.2	0.2	0.2	0.0
4. Oil-seeds, fats and oils	0.8	0.4	0.3	0.8	0.4	0.3	—	—	—	0.2	0.3	0.5	0.2	0.3	0.0
5. Textile fibres, natural	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6. Selected construction materials	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7. Other raw materials	2.5	1.1	0.9	2.5	1.1	0.9	—	—	—	0.1	0.2	0.7	0.4	0.8	0.0
8. Metal manufactures	0.1	0.2	0.2	0.1	0.1	0.1	—	0.1	0.1	—	—	—	0.1	0.1	0.0
9-13. Machinery	0.2	0.1	0.1	0.1	0.1	—	0.1	—	0.1	0.2	—	0.4	0.1	0.2	0.0
16. Other vehicles	0.1	0.1	—	0.1	—	—	—	0.1	—	2.2	1.7	1.3	0.9	1.4	0.0
17. Chemicals	1.7	1.6	1.6	1.7	1.6	1.6	—	—	—	0.1	0.1	0.5	0.4	0.4	0.0
18. Textile manufactures and clothing	1.7	1.0	0.3	1.6	1.0	0.3	0.1	—	—	0.2	0.2	0.2	0.4	0.7	0.0
19. Paper, manufactures of wood and paper (excluding furniture)	0.3	0.3	0.2	0.3	0.3	0.2	—	—	—	1.7	2.2	2.1	5.4	5.2	7.0
20. All other commodities	0.8	0.7	0.9	0.7	0.6	0.8	0.1	0.1	0.1	—	0.1	0.3	0.1	0.2	0.0
TOTAL EXPORTS^d	24.2	22.9	23.2	23.3	21.8	22.4	0.9	1.1	0.8	9.5	10.9	12.9	12.9	17.0	17.0

Sources: See Appendix B.

^a Including British colonies.

^b Excluding the sterling area.

III (continued)

MAIN COMMODITY GROUPS AND BY AREA OF DESTINATION

50 prices, f.o.b.

AFFILIATED OVERSEAS AREAS ^b			OTHER OVERSEAS COUNTRIES			TOTAL OVERSEAS COUNTRIES ^c			WESTERN EUROPE			EASTERN EUROPE			TOTAL WORLD			of which : DOLLAR AREA			Group
1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			
1st half	2nd half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	2nd half	First half	First half	Second half	First half	First half	Second half	First half	
2.2	4.5	4.8	2.8	3.9	3.2	32.9	40.2	41.6	242.5	244.1	233.0	6.8	22.4	31.7	282.2	306.7	306.3	18.4	23.5	24.8	1.
5.5	0.5	0.5	0.4	0.5	0.4	9.0	13.5	15.5	122.5	114.0	120.4	2.0	7.6	13.3	133.5	135.1	149.2	6.8	10.5	13.0	
3.3	3.6	3.9	1.5	2.6	2.3	17.6	19.5	18.8	91.2	92.9	86.8	2.6	10.0	15.5	111.4	122.4	121.1	8.8	9.4	8.8	
1.1	0.1	0.1	0.2	0.6	0.1	1.7	1.5	1.8	9.6	13.3	6.5	—	0.1	0.8	11.3	14.9	9.1	0.1	0.3	0.3	
—	—	—	—	—	—	—	—	—	0.2	0.2	0.2	—	—	—	0.2	0.2	0.2	—	—	—	2.
—	0.1	—	—	0.1	—	3.2	2.6	3.6	4.2	4.2	3.7	—	—	—	7.4	6.8	7.3	2.7	2.2	2.7	3.
1.1	—	—	0.1	0.2	0.2	0.3	0.6	0.7	2.9	4.1	3.8	0.1	0.4	0.2	3.3	5.1	4.7	0.1	0.1	0.1	4.
—	—	—	—	0.1	0.1	—	0.1	0.2	1.0	1.4	1.2	0.3	0.1	0.4	1.3	1.6	1.8	—	—	—	5.
1.1	0.1	0.1	0.2	0.1	0.3	3.0	1.5	1.6	1.5	1.8	1.2	—	—	—	4.5	3.3	2.8	0.1	0.3	0.3	6.
—	—	—	0.1	0.2	0.2	3.5	4.5	4.7	10.8	12.2	12.2	1.1	0.5	1.4	15.4	17.2	18.3	2.8	4.0	3.9	7.
—	—	—	0.1	0.2	0.8	1.0	1.8	3.6	1.9	2.2	2.3	—	—	0.1	2.9	4.0	6.0	0.3	0.5	2.0	8.
5.5	0.6	0.5	1.4	1.5	1.8	9.0	10.5	13.7	22.3	24.7	29.4	1.1	1.6	1.0	32.4	36.8	44.1	1.3	2.0	2.7	9-13.
—	—	—	1.1	0.3	—	1.9	0.6	1.9	8.3	4.6	6.1	1.1	3.3	—	11.3	8.5	8.0	0.7	0.2	0.6	14-16.
1.1	0.1	0.1	0.6	0.6	0.6	6.4	4.0	5.4	6.8	6.9	7.5	0.3	0.3	0.3	13.5	11.2	13.2	0.7	0.8	0.6	17.
—	—	—	0.1	0.1	—	2.1	1.4	2.3	5.2	6.5	5.5	—	—	—	7.3	7.9	7.8	0.4	0.6	0.7	18.
—	—	—	—	0.1	—	0.4	0.5	0.6	1.6	1.8	1.6	0.1	—	0.1	2.1	2.3	2.3	0.2	0.2	0.2	19.
1.1	0.1	0.1	0.1	0.1	—	1.9	2.4	2.8	4.1	5.9	4.8	—	0.1	0.1	6.0	8.4	7.7	1.0	1.9	1.4	20.
1.1	5.5	5.6	6.6	7.5	7.2	65.6	70.7	82.7	313.3	320.6	312.5	10.9	28.7	35.3	389.8	420.0	430.5	28.7	36.3	40.0	TOTAL EXPORTS
6.6	1.1	1.2	0.6	1.1	1.2	16.8	22.5	23.7	23.8	24.4	25.9	5.0	4.8	9.2	45.6	51.7	58.8	7.3	9.0	10.4	1.
—	—	—	—	—	—	—	—	—	0.3	1.2	0.4	—	—	—	0.3	1.2	0.4	—	—	—	2.
—	—	—	0.2	0.1	0.1	11.3	11.0	11.6	26.2	23.1	27.0	1.0	2.8	0.6	38.5	36.9	39.2	10.2	9.9	10.0	3.
—	—	—	—	—	—	—	0.2	0.1	5.3	5.3	5.6	0.2	1.5	0.3	5.5	7.0	6.0	—	0.2	0.1	
—	—	—	—	0.1	0.1	3.5	1.6	1.5	10.6	7.4	7.9	0.1	0.5	0.3	14.2	9.5	9.7	3.3	1.3	1.1	
1.1	0.1	0.2	0.1	0.1	0.2	1.4	1.2	1.7	7.7	8.3	16.7	2.4	5.5	10.4	11.5	15.0	28.8	0.9	0.6	0.5	4.
—	—	—	—	—	—	—	—	—	1.0	0.7	1.2	—	—	—	1.0	0.7	1.2	—	—	—	5.
1.1	0.1	—	—	—	—	0.1	0.1	—	0.1	0.1	0.1	—	—	—	0.2	0.2	0.1	—	—	0.1	6.
1.1	—	—	0.5	0.4	0.1	3.6	2.5	2.3	34.1	36.9	28.1	1.0	1.2	0.5	38.7	40.6	30.9	2.6	1.2	1.0	7.
—	—	—	—	0.1	—	0.2	0.4	0.4	0.8	1.0	1.4	—	—	—	1.0	1.4	1.8	0.1	0.2	0.1	8.
—	—	—	—	0.2	0.2	0.5	0.5	0.9	2.5	2.4	2.5	0.2	0.1	—	3.2	3.0	3.4	0.2	0.1	0.2	9-13.
—	—	0.2	2.3	1.9	1.1	5.5	5.1	3.0	4.8	4.5	3.3	—	—	0.8	10.3	9.6	7.1	2.3	1.1	1.3	16.
—	—	—	1.5	3.2	1.1	3.7	5.3	3.7	19.7	19.4	21.9	0.1	0.1	0.4	23.5	24.8	26.0	1.8	1.6	1.6	17.
—	—	—	0.1	0.1	0.1	2.4	2.0	1.4	1.7	1.8	1.5	0.8	1.7	1.0	4.9	5.5	3.9	1.9	1.1	0.4	18.
4.4	0.5	0.6	2.5	1.9	2.0	10.3	10.1	12.2	9.1	11.9	12.5	—	—	0.6	19.4	22.0	25.3	1.1	1.0	1.0	19.
1.1	0.1	0.1	0.1	0.1	0.1	1.1	1.2	1.6	1.8	1.8	1.7	0.2	0.2	0.1	3.1	3.2	3.4	0.8	0.8	1.0	20.
4.4	1.9	2.3	7.9	9.2	6.2	56.9	61.9	62.5	133.6	137.5	144.2	10.7	16.4	23.6	201.2	215.8	230.3	29.2	26.6	27.6	TOTAL EXPORTS

cluding unallocated exports.

^d Groups 14 and 15 not shown in the table are nil for all periods shown.

EXPORTS OF SELECTED EUROPEAN COUNTRIES AND THE UNITED STATES

Millions of dollars

Exporting country and commodity group	Area of destination and period			of which :									LATIN AMERICA			OVERSEAS STERLING AREA ^a		
				NORTH AMERICA			UNITED STATES			CANADA								
	1953	1954		1953	1954		1953	1954		1953	1954		1953	1954		1953	1954	
	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half
SWEDEN																		
1. Food, drink and tobacco	0.7	0.8	0.6	0.6	0.7	0.6	0.1	0.1	—	0.7	3.7	0.9	0.1	0.7	0.2	—	—	—
2. Mineral fuels and petroleum products	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Metallic ores and base metals	12.0	11.4	7.5	11.6	11.3	7.3	0.4	0.1	0.2	1.2	3.7	4.4	0.6	0.5	0.6	—	—	—
of which : Ores and scrap	7.0	7.1	4.3	7.0	7.1	4.3	—	—	—	—	—	—	—	—	—	—	—	—
Iron and steel	4.2	4.3	3.1	3.9	4.2	2.9	0.3	0.1	0.2	0.9	2.7	2.5	0.6	0.5	0.5	—	—	—
4. Oil-seeds, fats and oils	0.2	—	0.1	0.2	—	0.1	—	—	—	—	—	—	—	0.1	—	0.1	—	—
5. Textile fibres, natural	0.3	0.1	0.1	0.3	0.1	0.1	—	—	—	—	—	—	—	—	—	—	—	—
6. Selected construction materials	0.4	0.3	0.2	0.3	0.2	0.1	0.1	0.1	0.1	1.2	2.3	0.3	0.6	0.2	0.8	—	—	—
7. Other raw materials	14.4	14.0	9.9	14.3	13.8	9.8	0.1	0.2	0.1	8.0	11.0	9.9	4.2	5.8	4.5	—	—	—
of which : Timber	—	—	—	—	—	—	—	—	—	—	—	0.1	1.4	2.3	1.1	—	—	—
Wood-pulp	14.2	13.7	9.1	14.1	13.5	9.1	0.1	0.2	—	7.4	10.8	9.4	2.8	3.5	3.4	—	—	—
8. Metal manufactures	2.7	2.6	1.7	1.8	1.7	1.0	0.9	0.9	0.7	1.5	2.1	3.3	2.9	3.4	3.4	—	—	—
9. Power generating (except electric) machinery	0.1	0.1	0.2	—	0.1	—	0.1	—	0.2	0.7	1.6	0.8	0.2	0.4	0.2	—	—	—
10. Agricultural machinery	0.2	0.1	0.2	—	—	—	0.2	0.1	0.2	0.1	0.4	0.3	0.4	0.4	0.4	—	—	—
11. Metal-working, mining, construction and other industrial machinery	3.5	2.9	4.1	2.3	1.9	3.1	1.2	1.0	1.0	3.7	5.7	4.9	3.1	3.4	3.7	—	—	—
12. Electric machinery	0.4	0.2	1.4	0.3	0.1	1.2	0.1	0.1	0.2	4.8	5.4	4.9	0.9	1.0	1.9	—	—	—
13. Tractors, other than steam	—	—	—	—	—	—	—	—	—	—	0.7	0.2	0.1	0.1	0.1	—	—	—
14. Railway vehicles	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15. Road motor vehicles	—	—	—	—	—	—	—	—	—	0.8	1.5	0.6	—	—	—	—	—	—
16. Other vehicles	0.1	0.1	2.0	—	0.1	2.0	0.1	—	—	0.6	9.4	2.6	—	0.1	0.6	—	—	—
17. Chemicals	0.5	0.4	0.4	0.5	0.4	0.4	—	—	—	0.6	1.7	1.6	0.7	0.8	1.0	—	—	—
18. Textile manufactures and clothing	0.5	0.2	0.1	0.5	0.2	0.1	—	—	—	0.1	0.2	0.5	0.1	0.2	0.3	—	—	—
19. Paper, manufactures of wood and paper (excluding furniture)	2.8	2.1	1.6	2.7	1.9	1.5	0.1	0.2	0.1	5.9	5.9	5.1	11.3	11.2	11.9	—	—	—
20. All other commodities	2.0	2.4	1.7	1.7	2.1	1.5	0.3	0.3	0.2	1.2	1.4	1.5	2.0	2.6	2.5	—	—	—
TOTAL EXPORTS	40.8	37.7	31.8	37.1	34.6	28.8	3.7	3.1	3.0	31.1	56.7	41.9	27.2	30.9	32.1			
UNITED STATES ^d																		
1. Food, drink and tobacco	79.4	86.1	..	3.7	3.7	..	75.7	82.4	81.0	160.7	202.9	143.2	88.9	114.0	35.0	—	—	—
of which : Cereals and preparations	8.5	12.7	..	0.5	0.6	..	8.0	12.1	12.1	74.7	102.3	60.5	63.1	76.4	8.6	—	—	—
Fruits and vegetables	51.1	52.6	..	0.7	0.9	..	50.4	51.7	52.5	24.0	32.3	17.3	2.6	3.4	2.1	—	—	—
Tobacco	2.7	2.3	..	0.4	0.4	..	2.3	1.9	1.6	10.7	10.8	12.5	18.6	29.3	17.1	—	—	—
2. Mineral fuels and petroleum products	158.2	187.9	..	0.3	1.6	..	157.9	186.3	119.2	52.6	54.1	54.4	27.6	15.5	20.2	—	—	—
3. Metallic ores and base metals	98.5	90.4	..	0.1	0.1	..	98.4	90.3	78.1	79.1	71.6	68.0	14.4	16.7	23.8	—	—	—
of which : Iron and steel	78.9	63.9	..	0.1	0.1	..	78.8	63.8	65.2	70.4	61.0	51.8	12.9	15.0	18.3	—	—	—
4. Oil-seeds, fats and oils	17.2	26.5	..	0.2	0.2	..	17.0	26.3	18.3	13.7	18.2	17.3	3.1	4.7	5.1	—	—	—
5. Textile fibres, natural	27.7	21.1	..	—	—	..	27.7	21.1	28.1	3.5	4.0	9.0	4.2	7.4	35.9	—	—	—
6. Selected construction materials	30.8	34.9	..	0.1	0.1	..	30.7	34.8	23.5	18.9	18.9	15.7	3.2	2.5	1.4	—	—	—
7. Other raw materials	45.0	37.8	..	—	0.1	..	45.0	37.7	37.8	16.6	18.5	20.4	11.5	13.1	18.0	—	—	—
8. Metal manufactures	41.5	41.4	..	0.3	0.3	..	41.2	41.1	29.7	41.2	40.9	35.8	6.4	7.0	4.8	—	—	—
9. Power generating (except electric) machinery	24.7	19.7	..	0.1	—	..	24.6	19.7	17.1	19.9	24.8	22.2	6.9	7.9	5.1	—	—	—
10. Agricultural machinery	38.6	25.1	..	—	—	..	38.6	25.1	28.7	10.2	13.7	13.0	4.9	5.2	4.1	—	—	—
11. Metal-working, mining, construction and other industrial machinery	166.7	140.9	..	0.3	0.4	..	166.4	140.5	132.2	157.4	154.3	150.3	50.8	51.1	46.4	—	—	—
12. Electric machinery	77.7	72.9	..	0.6	0.4	..	77.1	72.5	56.5	75.1	80.3	66.6	13.0	14.1	10.9	—	—	—
13. Tractors, other than steam	61.7	30.6	..	—	—	..	61.7	30.6	37.1	25.8	33.2	36.0	21.4	22.9	18.4	—	—	—
14. Railway vehicles	9.4	11.0	..	—	—	..	9.4	11.0	16.9	18.3	27.0	31.0	2.6	4.0	1.6	—	—	—
15. Road motor vehicles	144.0	97.4	..	1.1	0.5	..	142.9	96.9	118.1	141.5	137.9	169.8	29.2	25.1	37.7	—	—	—
16. Other vehicles	10.4	6.4	..	—	—	..	10.4	6.4	14.6	31.2	8.5	23.4	0.5	2.8	10.6	—	—	—
17. Chemicals	83.9	76.9	..	0.6	0.6	..	83.3	76.3	72.7	121.0	133.5	139.9	20.5	24.5	25.1	—	—	—
18. Textile manufactures and clothing	71.8	56.5	..	1.2	1.3	..	70.6	55.2	42.0	87.8	94.1	79.0	25.3	23.0	31.2	—	—	—
of which : Cotton fabrics	27.7	18.3	..	0.1	0.2	..	27.6	18.1	17.2	30.1	30.6	30.9	5.9	5.9	9.4	—	—	—
19. Paper, manufactures of wood and paper (excluding furniture)	21.9	17.6	..	0.3	0.3	..	21.6	17.3	17.2	23.5	26.7	26.3	4.9	6.3	6.6	—	—	—
20. All other commodities	140.2	124.5	..	1.2	1.6	..	139.0	122.9	100.6	105.4	120.1	96.8	22.6	24.3	23.0	—	—	—
Unspecified	—	—	155.1	—	—	10.0	—	—	145.1	—	—	100.1	—	—	22.9	—	—	—
TOTAL EXPORTS	1349.3	1205.6	1224.5	10.1	11.2	10.0	1339.2	1194.4	1214.5	1203.4	1283.2	1318.2	361.9	392.1	387.8			

Sources : See Appendix B. ^a Including British colonies. ^b Excluding the sterling area. ^c Including unallocated exports. ^d Figures for the first half of 1954 are preliminary. They have been included in area totals as "unspecified". For the total of these exports the commodity break-down is available, and they have been included in the totals of the areas to which they belong.

III (concluded)

MAIN COMMODITY GROUPS AND BY AREA OF DESTINATION

1950 prices, f.o.b.

AFFILIATED OVERSEAS AREAS ^b			OTHER OVERSEAS COUNTRIES			TOTAL OVERSEAS COUNTRIES ^c			WESTERN EUROPE			EASTERN EUROPE			TOTAL WORLD			of which : DOLLAR AREA			Group
1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			1953 1954			
1st half	2nd half	First half	First half	Second half	First half	First half	Second half	First half	First half	Second half	First half	First half	2nd half	First half	First half	Second half	First half	First half	Second half	First half	
77	1.0	1.5	0.3	0.1	0.1	2.5	6.3	3.3	21.5	31.1	25.2	5.1	5.8	10.7	29.1	43.2	39.2	0.8	0.9	0.9	1.
	—	—	—	—	—	—	—	—	0.2	0.6	0.8	—	—	—	0.2	0.6	0.8	—	—	—	2.
	—	—	2.1	1.1	1.1	15.9	16.7	13.6	60.2	64.7	60.5	4.4	7.7	2.5	80.5	89.1	76.6	12.2	11.7	7.7	3.
	—	—	0.8	0.1	—	7.8	7.2	4.3	34.7	39.2	32.8	2.0	4.9	1.3	44.5	51.3	38.4	7.0	7.1	4.3	
	—	—	1.1	0.8	0.5	6.8	8.3	6.6	18.7	17.0	16.6	2.2	2.8	1.2	27.7	28.1	24.4	4.4	4.6	3.3	
22	—	—	0.2	—	0.1	0.6	0.1	0.3	8.8	10.2	5.2	—	—	—	9.4	10.3	5.5	0.2	—	0.2	4.
	—	—	—	—	—	0.3	0.1	0.1	1.3	1.1	1.2	0.3	0.2	0.5	1.9	1.4	1.8	0.3	0.1	0.1	5.
25	0.2	0.2	1.0	0.6	0.7	3.4	3.6	2.2	2.1	2.3	1.8	—	—	—	5.5	5.9	4.0	0.5	0.4	0.3	6.
25	1.6	0.7	3.9	5.4	2.2	31.0	37.8	27.2	123.1	167.4	131.2	0.6	1.1	1.3	154.7	206.3	159.7	15.4	15.5	11.2	7.
4	1.3	0.5	0.8	2.5	0.8	2.6	6.1	2.5	53.3	73.0	41.7	—	0.1	0.2	55.9	79.2	44.4	—	—	—	
4	0.3	0.2	2.7	2.8	1.3	27.2	31.1	23.4	64.7	90.1	83.8	0.2	0.2	0.5	92.1	121.4	107.7	15.2	15.2	10.4	
4	0.6	0.5	2.3	3.4	2.8	9.8	12.1	11.7	10.8	14.2	12.4	0.8	0.5	0.4	21.4	26.8	24.5	3.4	3.4	2.9	8.
	0.1	0.1	1.4	0.7	0.6	2.4	2.9	1.9	3.7	4.0	4.3	1.3	1.9	0.7	7.4	8.8	6.9	0.3	0.3	0.6	9.
11	—	—	0.1	0.1	0.1	0.9	1.0	1.0	3.2	2.6	4.5	0.2	—	0.1	4.3	3.6	5.6	0.2	0.2	0.2	10.
8	0.7	0.8	1.9	1.7	2.0	13.0	14.4	15.5	22.6	22.4	24.6	2.7	4.3	2.5	38.3	41.1	42.6	4.7	4.6	6.0	11.
2	0.2	0.3	0.5	1.3	1.0	6.8	8.1	9.5	8.5	10.0	9.8	1.9	2.4	2.5	17.2	20.5	21.8	4.0	3.3	4.7	12.
	—	—	0.1	—	—	0.2	0.8	0.3	0.8	0.9	1.1	—	—	—	1.0	1.7	1.4	—	—	—	13.
	—	—	—	—	—	—	—	—	0.3	0.6	1.0	0.2	—	—	0.5	0.6	1.0	—	—	—	14.
2	0.2	0.4	0.3	0.5	0.9	1.3	2.2	1.9	4.0	5.6	7.3	—	—	—	5.3	7.8	9.2	—	0.1	—	15.
	—	—	0.2	3.6	0.6	0.9	13.2	5.8	20.8	18.0	37.2	2.0	0.4	2.3	23.7	31.6	45.3	0.4	7.9	4.2	16.
1	0.1	0.1	0.5	0.5	0.6	2.4	3.5	3.7	7.8	9.0	10.8	0.6	0.9	0.6	10.8	13.4	15.1	0.6	0.8	0.8	17.
	—	—	0.2	0.1	0.1	0.9	0.7	1.0	5.2	5.5	6.0	0.3	1.2	0.9	6.4	7.4	7.9	0.6	0.2	0.1	18.
9	1.1	1.2	5.0	3.9	3.0	25.9	24.2	22.8	30.4	36.6	39.2	0.2	0.4	0.8	56.5	61.2	62.8	5.7	4.0	3.2	19.
7	0.9	1.0	1.5	1.0	0.8	7.4	8.3	7.5	8.9	10.3	9.5	0.1	0.2	0.5	16.4	18.8	17.5	2.8	3.4	2.6	20.
0	6.7	6.8	21.5	24.0	16.7	125.6	156.0	129.3	344.2	417.1	393.6	20.7	27.0	26.3	490.5	600.1	549.2	52.1	56.8	45.7	TOTAL EXPORTS
1	12.2	9.2	178.1	196.7	169.3	519.2	611.9	475.8	425.2	361.3	305.2	0.8	0.5	0.2	945.2	973.7	781.2	253.1	308.1	239.5	1.
1	3.2	2.1	115.0	141.5	114.8	264.4	336.1	202.3	258.3	137.5	151.1	—	—	—	522.7	473.6	353.4	73.9	117.7	76.1	
1	1.4	0.5	5.1	5.3	3.0	83.9	95.0	93.6	23.6	25.6	37.7	—	0.1	—	107.5	120.7	131.3	75.1	85.8	66.8	
9	4.6	4.7	28.3	24.6	24.5	65.2	71.6	65.2	115.3	157.1	74.6	0.8	0.4	0.2	181.3	229.1	140.0	20.2	18.3	20.8	
0	7.6	9.2	40.3	38.5	34.7	296.7	303.6	246.4	81.8	77.9	75.3	—	—	—	378.5	381.5	321.7	193.0	221.7	154.8	2.
5	2.9	4.0	20.8	33.9	46.3	216.3	215.5	227.6	70.0	79.7	119.6	—	—	—	286.3	295.2	347.2	156.7	145.2	122.1	3.
3	2.8	3.9	17.1	14.7	14.5	182.6	157.4	158.8	43.0	33.1	42.4	—	—	—	225.6	190.5	201.2	132.5	113.0	104.5	
7	1.3	1.2	66.3	67.5	61.4	101.0	118.2	104.7	42.2	114.2	135.2	—	—	—	143.2	232.4	239.9	31.4	45.5	36.0	4.
6	3.5	5.5	76.4	106.1	151.9	115.4	142.1	231.5	165.1	165.4	249.3	—	0.4	0.5	280.5	307.9	481.3	32.9	25.8	35.1	5.
9	1.1	3.1	5.1	4.4	3.9	59.9	61.8	56.4	4.7	5.4	3.5	—	—	—	64.6	67.2	59.9	48.0	52.8	38.1	6.
7	1.6	2.2	23.5	26.8	23.9	98.3	97.8	109.4	45.4	54.9	87.5	—	—	—	143.7	152.7	196.9	58.4	52.4	52.5	7.
9	2.5	2.9	9.8	9.0	10.2	100.8	100.8	106.3	8.8	6.8	7.9	—	—	—	109.6	107.6	114.2	79.9	78.2	64.0	8.
9	3.9	3.6	7.5	6.6	9.6	63.9	62.9	61.4	11.3	12.6	8.1	—	—	—	75.2	75.5	69.5	40.2	38.3	34.4	9.
7	1.4	3.7	1.8	1.3	2.0	59.2	46.7	55.8	4.8	2.5	4.4	—	—	—	64.0	49.2	60.2	45.3	31.9	37.7	10.
0	19.4	18.8	55.8	60.1	54.3	451.7	425.8	440.6	160.6	128.9	120.8	—	—	—	612.3	554.7	561.4	289.7	260.3	246.3	11.
5	5.4	6.2	24.6	20.6	21.4	195.9	193.3	188.5	40.3	29.4	29.0	—	—	—	236.2	222.7	217.5	138.2	134.3	107.9	12.
2	8.3	6.3	6.2	5.9	5.9	122.3	100.9	107.2	16.0	13.1	14.4	—	—	—	138.3	114.0	121.6	81.0	51.2	59.1	13.
7	0.6	0.6	0.7	5.4	0.6	31.7	48.0	51.4	2.3	3.3	2.2	—	—	—	34.0	51.3	53.6	16.0	22.0	35.3	14.
1	16.6	19.6	44.1	46.2	43.5	371.9	323.2	408.1	42.8	36.0	58.9	—	—	—	414.7	359.2	467.0	262.6	212.3	259.4	15.
2	2.8	1.4	3.3	8.6	4.8	46.6	29.1	75.6	20.5	35.4	15.2	—	—	—	67.1	64.5	90.8	41.5	14.6	36.7	16.
0	9.0	4.7	45.4	51.0	44.5	277.8	294.9	316.4	61.2	76.0	98.8	—	—	—	339.0	370.9	415.2	192.0	186.3	179.0	17.
9	9.3	7.7	81.1	65.5	59.5	275.9	248.4	264.3	24.3	25.9	22.8	—	—	—	300.2	274.3	287.1	203.6	180.6	153.4	18.
4	1.4	1.7	38.0	36.7	31.2	103.1	92.9	100.5	1.6	1.5	1.7	—	—	—	104.7	94.4	102.2	77.5	66.7	65.6	
6	0.9	0.8	7.6	9.8	9.0	58.5	61.3	67.6	6.5	8.3	10.0	—	—	—	65.0	69.6	77.6	48.4	49.3	45.9	19.
8	9.7	7.9	43.2	55.3	50.2	320.2	333.9	340.4	52.3	72.8	61.6	0.1	—	—	372.6	406.7	402.0	247.0	242.8	192.7	20.
	—	12.9	—	—	45.1	—	—	—21.4	—	—	21.2	—	—	0.2	—	—	—	—	—	276.9	
0	120.0	131.5	741.6	819.2	852.0	3 783.2	3 820.1	3 914.0	1286.1	1309.8	1450.9	0.9	0.9	0.9	5 070.2	5 130.8	5 365.8	2 458.9	2 353.6	2 406.8	TOTAL EXPORTS

are fully comparable with those for previous periods. Exports to unspecified destinations (amounting to 357.5 millions of dollars at 1950 prices) are not available by commodity and are included in "total world" and in "total overseas countries". For details, see Appendix B. ^e Excluding special categories.

Table XLIX

PURCHASING POWER OF EXPORTS ^a OF PRIMARY PRODUCING COUNTRIES

Millions of dollars f.o.b., half-years or half-yearly rates

Area	1950				1951			1952		1953		1954
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Second half	First half	Second half	First half	Second half	First half
<i>Latin America</i>												
Dollar countries	1 470	1 495	1 850	1 650	1 745	1 720	1 580	1 740	1 630	1 735	1 670	1 960
Non-dollar countries	1 410	1 510	1 820	1 790	1 675	1 690	1 555	1 180	1 350	1 420	1 675	1 565
Sub-total	2 880	3 005	3 670	3 440	3 420	3 410	3 135	2 920	2 980	3 155	3 345	3 525
Of which:												
Brazil	490	505	875	810	760	675	765	570	600	520	770	..
Argentina	580	600	500	450	510	660	415	300	305	470	520	..
<i>Overseas sterling area:</i>												
Colonies ^b	1 280	1 350	1 785	2 145	2 295	2 180	1 540	1 470	1 410	1 430	1 300	1 480
Independent countries ^c	2 695	2 590	2 740	3 375	3 830	3 580	2 670	2 775	2 815	3 070	3 085	3 095
Sub-total	3 975	3 940	4 525	5 520	6 125	5 760	4 210	4 245	4 225	4 500	4 385	4 575
Of which:												
India	630	420	535	675	800	740	605	535	515	450	505	455
Australia	820	800	605	1 100	1 110	1 180	570	625	740	850	845	755
Union of South Africa	290	235	390	470	460	410	365	375	375	390	410	375
<i>Other affiliated areas</i>	945	935	1 005	1 140	1 105	1 140	995	1 075	1 095	1 175	1 185	1 315
<i>Other overseas areas</i> ^d	1 530	1 360	1 880	2 240	2 390	2 030	1 645	1 505	1 470	1 445	1 550	1 580
Total purchasing power of exports	9 330	9 240	11 080	12 340	13 040	12 340	9 985	9 745	9 770	10 275	10 465	10 995
Total exports in current value . .	9 175	9 100	10 995	12 835	14 630	14 670	12 230	12 035	11 700	12 030	12 045	12 460
<i>Excluding Latin American dollar countries</i>												
Total purchasing power of exports	7 860	7 745	9 230	10 690	11 295	10 620	8 405	8 005	8 140	8 540	8 795	9 035
Total exports in current value . .	7 730	7 630	9 160	11 120	12 675	12 645	10 390	9 990	9 820	10 010	10 125	10 240

Sources : See Appendix B.

^b Excluding the Federation of Rhodesia.

^c Including the Federation of Rhodesia.

^d Excluding the United States, Canada, Japan and Eastern Europe.

^a Current value of exports of each country or area, divided by the weighted average unit value index of exports from Europe and the United States.

TRADE OF THE U.S.S.R. WITH SELECTED WESTERN EUROPEAN COUNTRIES

Millions of current roubles

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Commodity group	Finland		United Kingdom		Belgium and Netherlands		France		Denmark, Iceland, Norway, Sweden		Italy		Switzerland		Greece and Turkey		Total of thirteen countries	
	1953 ^a First half	1954 ^a First half	1953 ^b First half	1954 ^b First half	1953 First half	1954 First half	1953 First half	1954 First half	1953 First half	1954 First half	1953 First half	1954 First half	1953 First half	1954 First half	1953 First half	1954 First half	1953 First half	1954 First half
<i>Imports</i>																		
Meat and meat products	..	..	..	..	8.5	13.3	—	28.7	26.7	22.6	..	..	..	..	7.0	—	42.2	64.6
Animal fats and oils	..	..	..	..	59.2	5.2	..	..	101.1	85.0	..	..	..	..	..	..	160.3	90.2
Vegetable fats and oils	..	..	..	..	2.7	13.6	..	..	..	..	..	..	..	..	..	..	2.7	13.6
Fish and fish products	..	..	..	..	7.5	8.7	..	..	46.6	38.9	..	..	..	..	..	..	64.4	47.6
Cocoa beans and coffee	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	46.8	58.4
Rubber	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	92.9	0.6
Raw cotton	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Wool	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Artificial fibres, including yarns	10.8	4.8	..	..	12.4	6.4	..	2.7	8.2	3.3	29.5	14.3	1.1	0.6	2.4	..	24.9	34.1
Woolen and silk textiles	..	..	..	..	12.2	28.6	3.0	17.4	..	..	9.7	10.0	..	..	..	..	62.0	32.1
Non-ferrous metals and products	..	..	..	..	..	..	3.0	1.2	10.7	0.1	..	..	..	..	..	..	24.9	56.0
Iron and steel	7.1	1.6	1.1	..	7.8	2.2	46.4	13.8	16.4	2.3	..	..	..	..	..	..	13.7	1.3
Machinery and equipment	266.4	97.9	15.6	13.3	33.6	43.0	8.1	0.7	58.9	33.1	12.6	17.6	4.4	1.5	..	..	78.8	19.9
Cables, etc.	25.8	11.8	11.6	3.9	27.1	..	..	..	..	..	..	..	..	..	..	..	399.6	207.1
Other commodities ^c	277.9 ^d	169.4 ^d	58.6	57.2	40.9	48.2	23.5	36.3	5.7	28.0	29.0	21.4	7.5	5.5	5.9	11.0	64.5	15.7
Total imports	588.0	285.5	259.4	167.5	211.9	169.2	84.0	100.8	274.3	213.3	80.8	63.3	13.0	7.6	15.3	11.0	1 526.7	1 018.2
<i>Exports</i>																		
Grain	200.1	64.1	9.0	5.2	95.4	18.8	..	..	59.2	35.0	—	18.8	..	..	..	..	363.7	141.9
Sugar	47.7	23.0	..	..	..	..	..	..	..	..	..	..	..	..	..	..	47.7	23.0
Oil-cakes	23.4	6.2	..	..	..	..	..	..	29.1	16.4	..	..	..	..	..	..	52.5	22.6
Raw cotton	30.2	14.3	3.4	10.9	5.4	4.9	..	17.0	..	2.0	..	11.5	5.1	3.1	..	..	44.1	63.7
Timber and wood products	..	..	147.1	48.8	57.9	9.6	8.4	3.2	6.5	0.8	4.1	5.0	..	..	5.5	1.7	229.5	69.1
Furs	..	..	36.6	25.7	4.0	0.4	12.3	5.0	..	..	..	..	1.6	0.4	..	..	54.5	31.5
Coal and coke	10.0	5.6	..	..	8.6	3.9	27.0	17.2	..	..	2.6	0.9	..	..	0.2	1.0	48.4	28.6
Manganese and chrome ore	..	..	6.1	12.5	9.4	..	..	..	20.0	2.2	1.0	1.6	..	..	..	..	36.5	16.3
Petroleum and petroleum products	85.8	38.5	0.6	3.9	..	..	1.9	8.2	26.3	35.1	9.4	5.0	0.1	0.6	0.1	3.1	124.2	94.4
Iron and steel	34.0	17.0	..	13.0	2.1	1.6	..	..	1.2	1.5	4.0	2.4	..	..	0.7	0.1	41.3	36.2
Machinery and equipment	1.8	1.6	..	..	1.1	..	..	..	1.4	0.7	..	..	..	..	..	0.1	4.3	2.4
Motor cars	13.5	6.0	..	..	..	..	..	..	1.5	3.5	..	..	..	..	..	..	15.0	9.5
Chemicals and related products	28.8	13.3	11.3	14.3	10.2	5.7	7.4	4.4	3.2	0.7	1.2	0.3	1.6	0.1	..	..	63.7	38.8
Other commodities ^c	28.5	11.7	146.4	35.7	14.2	6.5	12.8	22.2	27.4	21.0	10.8	0.6	15.8	6.3	3.2	1.0	259.1	105.0
Total exports	503.8	201.3	360.5	170.0	208.3	51.4	69.8	77.2	175.8	118.9	33.1	46.1	24.2	10.5	9.0	7.6	1 384.5	683.0

^c Including unspecified trade in the other commodity groups.

^d Including timber and woodpulp products which amount to 143.5 and 92.1 million roubles respectively and prefabricated houses which amount to 112.1 and 57.3 million roubles respectively.

Sources: Data supplied by the Government of the U.S.S.R. to the Economic Commission for Europe.

^a Including imports into the U.S.S.R. under triangular agreements.

^b Including goods purchased in the United Kingdom but supplied from its overseas possessions.

Table II
COMMODITY COMPOSITION OF TRADE BETWEEN COUNTRIES IN THE EASTERN WORLD MARKET IN 1954

Importing Exporting		ALBANIA	BULGARIA	CZECHOSLOVAKIA	EAST GERMANY	HUNGARY	POLAND	RUMANIA	U.S.S.R.	CHINA
ALBANIA			Citrus fruit, olives, olive oil, cotton, chrome ore, bitumen, petroleum, copper.	Tobacco, hides and skins, bitumen, chrome ore, copper.	Tobacco, medicinal plants, timber, non-ferrous metals.	Fruit, tobacco, hides, chrome ore, other minerals.	Tobacco, cotton, petroleum, bitumen, chrome ore, copper.	Citrus fruit, bitumen, chrome ore, copper.	Citrus fruit, tobacco, hides, petroleum, bitumen, copper.	
BULGARIA		Grain, seeds, breeding-cattle, textiles, other manufactured goods, chemicals, pharmaceuticals.		Rice, fruit, oil-seeds, tobacco, skins, timber, ores, artificial fertilizers, silk, cotton cloth, textiles, cigarettes.	Grain, fruit, vegetables, tobacco, hides, silk, pyrites, ores, cotton cloth.	Seeds, tobacco, timber, iron ore, pyrites, artificial fertilizers, textiles, skins.	Wine, rice, tobacco, skins, iron ore, non-ferrous metals, artificial fertilizers.	Lard, tobacco, oils, minerals (iron ore), asbestos.	Meat, fruit, vegetables, conserves, wine, tobacco, concentrated non-ferrous minerals, leather products, furniture.	Artificial fertilizers, machinery, electro-technical equipment, chemicals.
CZECHOSLOVAKIA		Rolled steel, mining equipment, power installations, motor vehicles, machinery, tyres, paper, chemical and pharmaceutical products.	Coke, rolled steel, power installations, industrial equipment, electric apparatus, cars, small rail wagons, glass-ware, pottery, chemicals, drugs.		Hops, Pilsen beer, brown coal, coke, ceramic raw materials, rolled steel, machinery, textiles, shoes, chemicals.	Rolled steel, heavy steel constructions.	Kaolin, coke, wood-pulp, power generators, machine-tools, tractors, agricultural machines, footwear.	Rolled steel, machinery and equipment, motor vehicles, agricultural machines.	Malt, hops, sugar, steel products, machinery and equipment, ships and boats, furniture, glass, textiles, leather goods, chemicals.	Metal products, power-generating equipment, equipment for sugar factories, machine-tools, trucks, scrapers, cranes, diesel engines, telecommunication equipment, paper, chemicals.
EAST GERMANY		Building materials, equipment for food industries and laboratories, tools.	Steel, pig-iron, electric equipment, machinery, optical instruments, motor vehicles, typewriters, radio sets, glass products, toys, artificial wool, textiles, paper, dyes.	Fertilizers, machine-tools, electro-technical and optical products, toys, chemicals.		Machine-tools, electrical equipment, optical and precision instruments, transport equipment, textiles and clothing.	Fertilizers, machinery, precision instruments, other industrial products, chemicals.	Equipment for food, textile and chemical industries, agricultural machinery, electro-technical and optical instruments, consumer goods, chemicals.	Sugar, cement, building machinery, industrial equipment, electric equipment, optical and precision instruments, ships, refrigeration equipment, chemicals.	Fertilizers, ball-bearings, machinery, trucks, cranes, excavators, optical and precision instruments, X-ray and photographic equipment, musical instruments.
HUNGARY		Cables, tubes, copper wire, electrical equipment, textiles, other consumer goods, pharmaceutical products.	Rolled steel, machinery, rolling stock, electrical appliances, petroleum products, chemicals and pharmaceuticals.	Agricultural products, meat, bauxite, industrial equipment, electrical equipment.	Bauxite, diesel trains, dumpers, shoes.		Grain, crude oil, bauxite, aluminium, industrial equipment, machinery, bicycles, shoes, pharmaceuticals.	Aluminium, rolled steel, machinery, electro-technical products, consumer goods, pharmaceuticals.	Pigs, industrial equipment, lifting and hauling equipment, ships, river boats, locomotives, steam tractors.	Industrial equipment, refrigeration equipment, electro-technical equipment, motor vehicles, instruments, pharmaceuticals.
POLAND		Rolled steel, mining equipment, paper, textiles, chemicals.	Rolled steel, metal constructions, machinery and industrial equipment, rolling stock, chemicals.	Agricultural products, coal, zinc, electric power, rolling stock, other manufactures, chemicals.	Foodstuffs, coal, coke, lignite, rolled steel, chemicals.	Timber, coal and coke, paper, zinc, industrial equipment, machinery, rolling stock, chemicals.		Coke, zinc, rolled steel, machinery, tools, metal goods, chemicals.	Sugar, coal and coke, zinc, cement, railway wagons, ships, furniture, porcelain, textiles.	Sugar, industrial plants, rolled steel, machinery and machine-tools, laboratory equipment, textiles, paper, pharmaceuticals and chemicals.

RUMANIA	Grain, petroleum products, cement, flat glass, paper, matches, stockings, household goods.	Caustic and calced soda, industrial equipment, tractors, rock salt, sheet lead, electricity, petroleum products, chemicals.	Grain, meat, fish, feeding-stuffs, various raw materials, timber, petroleum products.	Grain, meat, butter, rice, tea, seeds, cotton, wool, flax, iron ore, pig-iron, manganese ore, non-ferrous metals, petroleum products, fertilizers, machines.	Grain, butter, meat, cotton, wool, hides, coke, iron ore, pig-iron, rolled steel, manganese, chrome ore, ferro-alloys, copper, lead, zinc, tin, petroleum products, building and agricultural machinery.	Cotton, timber, coke, iron ore, ferro-alloys, fertilizers, industrial equipment, agricultural machinery, motor vehicles, ball bearings.	Grain, tobacco, timber, petroleum products, oil-drilling equipment, chemicals.	Agricultural products, timber, petroleum products, oil equipment, chemicals.	Timber, petroleum, cement, fishing-boats, glassware, chemicals.
U.S.S.R.	Grain, fertilizers, iron and steel, non-ferrous metals, oil equipment, building and agricultural machinery, chemicals.	Rubber, selected seeds, breeding-cattle, cotton, iron and steel, non-ferrous metals, cables, industrial equipment, agricultural machinery, fertilizers, tractors, lorries, textiles, paper, chemicals.	Grain, meat, butter, rice, tea, seeds, cotton, wool, flax, iron ore, pig-iron, manganese ore, non-ferrous metals, petroleum products, fertilizers, machines.	Fruit, casings, wool, furs, non-ferrous metals, silk fabrics.	Minerals, non-ferrous metals, hides and skins, wool, other textile materials, feathers, tobacco.	Rice, tea, tobacco, oil-seeds, industrial oils, minerals and ores, non-ferrous metals, cotton and other textile materials, silk fabrics.	Rubber (45 per cent of China's imports from Ceylon), meat, rice, tea, fruit, vegetables, tobacco, groundnuts, soya beans, vegetable oils, wool, raw silk, hides, non-ferrous metals, silk piece-goods.	Cotton, asbestos, industrial diamonds, coke, iron ore, industrial equipment, machine-tools, ball-bearings, agricultural implements, cars and lorries, surgical and laboratory finished textiles.	Petroleum products, rolled steel, non-ferrous metals, mining equipment, metallurgic equipment, power-generating equipment, motor vehicles, tractors, agricultural machinery, chemicals.

Sources: Trade agreement published officially in eastern Europe.

Table LII
HOUSING CONSTRUCTION IN EASTERN EUROPE

	Czechoslovakia Thousands of dwellings		Hungary Thousands of dwellings		Poland Thousands of rooms		Rumania ^b Thousands of m ²
	State	Private	State	Private	State	Private ^a	
1947	29	..	..	..	274	..	
1948		..	..	..		..	
1949		42	41	22		327	
1950	5.5			17.5	109.6	10.6	370
1951	6.5			18.5	115.0	6.2	330
1952	59		7	13	119.4	4.8	368
1953	30	5	9	7	135.0	5.0	335
1954 First half	8	..	12	14	150.0	6.0	60
1954 Second half	..	..			..		
1954 latest programme	40	10			18	22	..
1955 latest programme	48	..	..	..	162.0	..	..

Sources : See Appendix B.

^a Dwellings outside the Plan, most of them private.

^b Excluding most of rural construction.

Table LIII
STOCKS OF FARM MACHINERY IN EASTERN EUROPE

Thousands

	1949	1950	1951	1952	1953	Mid-1954
<i>Bulgaria</i>						
Grain combines	0.04	..	0.2	1.4	1.6	1.8
Tractor ploughs	4.4 ^a	..	..	9.2 ^b	11.0	11.3 ^c
Threshers	5.1	..	5.3	5.8	5.8	..
Lorries	1.0	..	2.1	2.8	..	..
<i>Czechoslovakia</i>						
Grain combines	0.1 ^a	..	..	..	0.8	0.8 ^d
Reaper binders	25.0 ^a	..	..	..	.. ^e	..
of which in MTS	0.9 ^a	..	..	..	20.1	..
Tractor ploughs	20.0 ^a	..	..	..	..	3.5 ^d
<i>Eastern Germany</i>						
Grain combines ^b	—	—	—	0.1	0.4	0.7 ^c
Reaper binders ^b	4.4	4.4	4.9	6.8	10.9	12.1 ^c
Tractor ploughs ^b	9.0	10.7	18.6	19.6	24.4	..
Tractor cultivators ^b	2.0	2.3	2.7	4.3	6.8	..
Tractor seeders ^b	..	0.8	1.8	2.5	3.7	4.4
Threshers ^b	6.4	7.1	7.7	7.8	8.0	8.4 ^c
<i>Hungary</i>						
Grain combines	—	0.02	0.2	0.8	1.4	2.0
Reaper binders	..	1.2	3.0	..	3.0	3.1
Tractor ploughs	..	11.1	12.8	..	..	..
of which in MTS	3.9	6.9	8.7	9.1	10.2	..
Tractor disk-harrows	..	4.0	6.2	..	..	..
of which in MTS	2.4	3.3	4.5	7.1	6.8	..
Tractor seeders ^b	..	..	1.2	1.3	..	..
Threshers	..	14.4	14.5	..	..	..
<i>Poland</i>						
Grain combines	—	0.1	0.3	1.3	..	.. ^f
Reaper binders	..	18.9	18.9	19.5	.. ^g	..
of which tractor-drawn	..	8.4	8.4	9.5	..	..
Seeders ^b	..	1.6	2.5	4.8	6.1	8.1
Threshers ^b	..	0.5	1.7	2.5	3.0	4.5
<i>Rumania</i>						
Self-propelled grain combines	—	—	0.03	0.3	0.5	0.8 ^c
Reaper binders	..	..	..	..	1.4 ^b	3.0 ^h
Tractor ploughs	..	..	..	..	19.0	19.8 ^c
Cultivators	..	..	..	..	15.2	16.1 ^c
Seeders	..	..	..	..	2.9 ^b	5.0 ^h
Threshers	..	..	..	..	13.3	13.4 ^c

Sources : See Appendix B.

NOTE. — The letters MTS stand for Machine and Tractor Stations. Figures relate to the end of the years shown, unless otherwise stated.

^a 1948.

^b Stock on Machine and Tractor Stations only.

^c These figures were obtained by adding deliveries during the first half of 1954 to the end-1953 stock: that is, they are over-estimates, since no account has been taken of withdrawals from stock of worn-out machines in 1954.

^d Total deliveries between 15 September 1953 and 31 December 1954.

^e Total deliveries during the five years 1949 to 1953 were 13,600.

^f Total deliveries during the first half of 1954 were 600.

^g Total deliveries in 1953 were 2,400.

^h Total deliveries from 1949 to mid-1954.

Table LIV
INDUSTRIAL PRODUCTION IN THE SOVIET UNION

Commodity	Unit	1940	1950	1952	1953	1954	1955		1956 Plan
							Five-year Plan	New Plan	
ENERGY									
Coal and lignite	Million tons	166	260	301	320	346	372	..	..
Crude oil		31.0	37.8	47	52	58	70	..	..
Electric power	Billion kWh	48.3	90.3	116.4	133	147	163	..	..
Peat	Million tons	32.1	42.4	..	..	52	54	..	..
Atomic	Thousand kWh	—	—	—	—	22	..	..	..
Aggregate in coal equivalent ^a	Million tons	100	150	175	188	203	226	..	..
METALS									
Pig iron	Million tons	15.0	19.4	25.2	27.5	30.0	34.1	..	..
Crude steel		18.3	27.3	34.5	38.0	41	44.2	..	..
Rolled steel		13.1	20.8	26.8	29.5	32.2	34.1	..	..
Copper	Thousand tons	161	255	334	..	..	485	..	..
ENGINEERING									
Gross value	Index nos. 1940=100	100	230	223	380	437	460	..	..
Steam turbines	Thousand kWh	1 447	2 906	3 453 ^b	4 834 ^b	5 027 ^b	6 684 ^b	..	..
Hydro turbines			1 022	..	..	..	7 972 ^b	..	..
Spinning-frames	Thousand spindles	350	1 400	..	..	480—	..	1 381	..
Looms	Thousands	6	25	..	..	15.5—	..	38	..
Motor-cycles		..	135	96*	132*	190+	..	225	..
Power-assisted bicycle motors		..	..	..	..	30	..	40	..
Bicycles		270	655	1 667	1 917	2 396	2 292 ^c	3 445	3 800
Outboard motors		..	..	..	..	20	..	40	..
Tractors	Thousands in 15 h.p. equivalents	52*	180 ^d	131 ^d	139 ^d	137 ^d	..	^e	^e
Row-crop tractors	Thousands	..	..	..	18 ^d	46 ^d	..	69 ^d	132 ^d
Tractor seeders		..	..	..	..	94 ^d	..	.. ^d	..
Tractor harrows		..	..	..	27	83 ^d	..	123 ^d	..
Tractor rakes		..	..	16 ^f	..	35 ^d	..	45 ^d	..
Tractor grain combines		13	23 ^d	20 ^d	19 ^d	20 ^d	..	..	..
Self-propelled grain combines			21 ^d	22 ^d	17 ^d	..	..	..	..
Maize harvesters		..	..	..	0.5	2.5 ^d	..	3.5 ^d	..
Potato harvesters		..	..	..	3.5	15 ^d	..	25 ^d	..
Silage harvesters		..	..	..	..	2 ^d	..	5 ^d	..
Tractor mowers		..	..	46 ^f	..	200	..	.. ^d	..
Self-propelled mowers		..	..	..	..		..	..	..
Hay stackers		..	..	..	13.5	35 ^d	..	50 ^d	..
Livestock equipment	Index nos. 1940=100	100	770	850 ^f	..	..	..	..	..
—Silo masher-cutters	Thousands	..	..	10 ^f	..	..	..	..	..
—Milking equipment		..	..	..	..	7.5 ^d	..	15.0 ^d	..
All agricultural machinery ^g	Index nos. 1940=100	100	652	750 ^f	940	1 280	..	..	..
Oil refinery equipment		100	300	650	720	..	1 050	..	..
Coal loaders	Units	—	..	900 ^h	..	..	..	..	..
Coal conveyors		—	..	2 400 ^h	..	..	..	..	..
Electric trains for coal-mines		..	..	2 200 ^h	..	..	..	..	..
Sewing-machines	Thousands	170	490	780	967	1 247	1 176 ^c	2 615	2 890
Watches and clocks	Millions	2.6	7.5 ^a	10.1	12.3	15.7	16.1 ^c	22.0	23.0
—Wrist watches		0.5 ^a	1.5	..	..	5.7	..	7.2	..
Radio receivers	Thousands	200	1 052	1 293	1 642	2 890	2 160 ^c	4 527	5 720 ^a
Television receivers		—	28	37	83	250		..	
Refrigerators		1*	..	41*	66	127	200	330	..
Vacuum cleaners		—	..	33	65	189	..	483	..
Washing machines		—	..	..	11	143	..	196	..
Electric irons		300*	486	..	..	3 550	..	4 375	..

Sources: See Appendix B.

NOTE. — Figures italicized are planned outputs:

+ signifies over-fulfilment,
— signifies under-fulfilment.

^a In tons of coal of 7,000 calories. Excludes fire-

wood; peat and share of hydro-electricity estimated for 1952-1954.

^b Applying per cent increases over 1950 to Plan 1950.

^c Based on change in retail sales.

^d Deliveries to agriculture.

^e 1954-April 1957=500.

^f 1951.

^g Ministry of Agricultural Engineering.

^h 1951 to mid-1953.

Table LIV (continued)

INDUSTRIAL PRODUCTION IN THE SOVIET UNION

Commodity	Unit	1940	1950	1952	1953	1954	1955		1956 Plan
							Five-year Plan	New Plan	
ENGINEERING (continued)									
Metal cutting machine-tools ⁱ	Thousands	38	..	64	73	79	..	..	..
Black-cast-iron utensils	Thousand tons	40*	13.5	..	..	47.7	..	67.5	..
Galvanized-iron utensils		32**	48.4	..	..	143.9	..	193.7	..
Enamel-cast-iron utensils		18**	2.9	..	..	12.3	..	20.0	..
Enamel-iron utensils			25.3	..	..	61.2	..	114.2	..
Aluminium utensils			35.6	..	..	90	..	107	..
Samovars	Thousands	130*	223	..	..	675	..	890	..
Stainless steel spoons	Millions	30 ^j	3.4	..	..	11.7	..	17.2	..
Metal bedsteads		5.5*	..	..	..	13.5	..	16.5	..
Kerosene stoves	Thousands	..	1 281	..	..	2 966	..	3 843	..
Gramophones		300*	1 000	..	..	921	..	1 125	..
Cameras		40*	260*	456*	497*	765+	..	1 000	..
CHEMICALS									
Gross value	Index nos. 1940=100	100	180	..	300	..	340*	..	..
Mineral fertilizers	Million tons	2 608	5 100	5 890	6 420	7 447	9 590	..	17 000 ^k
Synthetic rubber	Index nos. 1940=100	100	200	262 ^b	296 ^b	299 ^b	364 ^b	..	..
Synthetic dyes	Thousand tons	35	51.8	64.4	65.3	69.9	..	..	..
Soap	Million tons in 40% fatty acid equivalent	0.6*	0.8	0.7	0.8	1.0+	..	1.2	..
Cosmetics	Millions	660	..	1 000	..	..	..	..	..
Pharmaceuticals and medical equipment	Billion roubles	0.7	1.2	1.6 ^{b^f}	..	..	3.0 ^b	..	..
—Salicylates	Index nos. 1940=100	100	..	150 ^f	..	..	..	..	..
—Sulfonamides		100	..	1 200 ^f	..	..	..	..	..
Bicycle tyres	Millions	2*	..	..	5	7	..	..	..
Bicycle inner tubes		..	..	..	8	10	..	..	..
Rubber toys	Millions	1.1	..	3.4 ^f	7.2	15	..	22	..
Rubber balls		..	..	..	..	7	..	13	..
Rubber footwear	Million pairs	68	105	117 ^f	100*	104.6+	..	109.4	..
BUILDING MATERIALS AND CERAMICS									
Gross value ^l	Index nos. 1940=100	100	209	296	350	403	420	..	..
Cement	Million tons	5.8	10.3	14.1	16.2	19.3	22.7	..	31 ^m
Precast concrete units	Million cubic metres	—	..	..	..	1.9	..	3.5	6.1
Bricks	Billions	7*	12*	17*	19*	21*	23*	..	..
Slate	Million sheets	205	440	706	861	1 007	1 140	..	1 500 ^m
Window glass	Million square metres	44	84	62	75	86	..	..	..
Polished glass		0.2	0.4	0.6	0.7	..	1.6	..	..
Plate glass	Thousand square metres	—	..	..	..	40	..	280	..
Carafes and decanters	Millions	..	..	..	..	11	..	..	..
Wine glasses and tumblers		..	..	..	..	13	..	..	..
Vases		..	..	..	..	4	..	..	..
Other blown or moulded glass		..	..	..	..	59	..	..	..
Cut glass		..	..	..	..	1.5	..	..	..
TIMBER AND PAPER									
Commercial timber	Million cubic metres	119	162	190 ^f	180	200	253	..	..
Furniture	Billion roubles	..	2 ^c	..	..	5.3	5 ^c	7.0	8
Pianos	Index nos. 1940=100	100	114	162	200	242	..	320	..
Paper	Thousand tons	812	1 194	1 457	1 603	1 763	1 740	..	..
Books	Millions	453	833	852	890	..	..	..	..

ⁱ Ministry of Machine-tool Industry only.

^j All types.

^k 1959.

^l Ministry of Building Materials only.

^m 1957.

Table LIV (concluded)

INDUSTRIAL PRODUCTION IN THE SOVIET UNION

Commodity	Unit	1940	1950	1952	1953	1954	1955		1956 Plan
							Five-year Plan	New Plan	
TEXTILES AND CLOTHING									
Gross value	Index nos. 1940=100	100	117	143	164	186	200	..	..
Cotton fabrics	Million metres	3 836	3 840*	4 970*	5 220	5 550	6 182*	6 267	6 485
Linen fabrics		270*	420	257	288	295	..	406	..
Wool fabrics		120	155*	189*	207	242	239*	271	334
Silk and rayon fabrics		78	130*	225*	400	516	400	573	697
Rayon	Thousand tons	23	54	104 ^f	200	248	253	..	..
Knitted underwear	Millions	150	213	196	227	268	326	382	..
Knitted outerwear			44	45	51	79	88	..	
Stockings and socks	Million pairs	418	431	599	623	685	..	777	..
Real silk		..	..	..	..	2	..	..	..
Nylon		—	..	..	4*	5	..	..	..
Ready-made clothing	Billion roubles	12.5 ⁿ	28.7	36.6	37.6	44.0	51.7	51.8	64.5
Felt footwear	Million pairs	16*	..	..	..	29	..	33.5	..
Leather footwear		205	205	270	263	281	318	318	349
Sewing cotton	Million reels	1 000*	..	..	..	1 900	..	1 950	..
Cotton wool	Thousand tons	80*	..	..	..	126	..	130	..
Sheet wadding	Million metres	..	..	..	..	3.5	..	4.5	..
Oil cloth		..	..	..	..	30	..	45	..
FOOD PROCESSING									
Gross value	Index nos. 1940=100	100	117	148	166	..	200	..	..
Meat	Thousand tons	1 150	1 267	1 632	1 991	2 170	2 433	2 550	3 000
Sausages		403	483	600	696	773	..	850	1 000
Fish catch	Million tons	1.4	1.7	2.4	2.4	2.7	2.7	3.2	3.6
Whole milk	Thousand tons	..	1 150	..	2 220	2 300	..	2 750	..
Dried milk		—	9.4	..	..	30	..	38	..
Butter		206	319	352	363	370	550	560	650
Cheese		37.1	48.2	66.5	77.1	86.3	112	135	160
Vegetable oil		709	780	958	1 111	1 233	1 380	1 500	1 650
Granulated sugar		2 150	2 528	3 373	3 778	4 300 —	4 500	4 800	5 300
Lump sugar		630	700	560	..	1 350 —	..	1 550	1 800
Confectionery		806	994	1 285	1 401	1 443	..	1 825	..
Flour	Million tons	17*	19	..	..	32.3*	..	..	..
Macaroni products	Thousand tons	370*	442	499 ^f	770	880	..	1 030	..
Yeast		60*	47.5	..	..	86	..	95	..
Tinned foods	Million tins	1 000	1 480	1 938	2 209	2 562	3 000	3 580*	4 150
Meat		..	258	..	269	380	..	480	..
Fish		86*	200	..	270*	520	..	600	..
Milk		50*	81	150	..	220	..	275	..
Fruit		386 ^o	410	..	..	755	..	855	..
Vegetables	}	346 ^o	162	..	..	410	..	480	..
Tomatoes			296	..	..	510	..	560	..
Beans		..	25	..	..	40	..	80	..
Meat and vegetables		..	32	..	..	65	..	70	..
Children's food		..	16	..	..	90*	..	180*	..
Vitamins	Billion doses	1.8	19.2	..	32.5	..	..	48	..
Beer	Million decalitres	112	129	159	180	185	224	232	..
Wine		16.5	14.4	22.9	28.4	32.9	33.0	34.5	..
Champagne	Million bottles	8	14	17	..	18 +	..	20	..
Vodka	Million decalitres	90*	..	..	90*	..	..	..	..
Non-alcoholic drinks		..	72	..	..	110	..	135	..
Mineral water	Million bottles	..	109	..	..	220	..	260	..
Cigarettes	Billions	100	125	158	183	207	..	215	..

ⁿ Ministry of Light Industry (subsequently Manufactured Consumer Goods) only. In 1950, output of this Ministry represented 63 per cent of the total production of clothing.

Table LV
INDUSTRIAL PRODUCTION IN ALBANIA

Commodity	Unit	1950	1953	1955 Plan ^a
Coal	Thousand tons	42	..	250
Lignite		28	..	168
Bitumen		26	50	100
Petroleum		132	200	263
Natural asphalt		26	..	80
Chrome ore		52	55	120
Copper ore		14	50	145
Refined copper		1	..	3
Laundry soap		1	..	4
Cotton textiles		1	50	22
Woollen textiles	Million m ²	—	..	1
Shoes	Thousand pairs	272	..	598
Refined sugar	Thousand tons	1	8	11

Sources : See Appendix B.
^a Last year of Five-year Plan drawn up in 1951.

Table LVI
INDUSTRIAL PRODUCTION IN BULGARIA

Commodity	Unit	1939	1948	1949	1950	1951	1952	1953	1954
<i>Mining</i>									
Lignite ^a	Millions of tons	2.1	4.1	5.0	5.6	6.1	7.1	8.0	8.6
<i>Electric Power</i>	Million MWh	0.28	0.56	0.68	0.82	1.05	1.40	1.62	1.80
<i>Basic materials</i>									
Pig-iron	Thousands of tons	0.13	1.54	2.81	4.19	7.29	10.64	..	..
<i>Chemical industry</i>									
Sulphuric acid	Thousands of tons	6.9	11.6	..	..	13.8	20.8	24.1	25.5
Soap		..	..	9.2	10.6	16.0	18.1	..	..
<i>Building materials</i>									
Cement	Thousands of tons	226	380	486	594	630	680	714	793
Bricks	Millions	52	130	..	..	..	540	567	618
Plate glass	Millions of m ²	1.3	1.7	1.8	1.8	2.6	..	..	..
<i>Light industries and others</i>									
Cotton fabrics	Millions of metres	34	60	66	85	96	110	119	125
Woollen fabrics		5.2	5.1	6.2	6.5	7.8	8.7	9.8	..
Leather footwear	Millions of pairs	..	0.5	0.5	0.87	1.0	1.2	1.3	..
Paper	Thousands of tons	13	19	..	..	24	26	28	30
Sugar	Thousands of tons	25	61	65	..	..	61	96	..

Sources : See Appendix B.

^a Including a small proportion of hard coal.

Table LVII
INDUSTRIAL PRODUCTION IN CZECHOSLOVAKIA

Commodity	Unit	1937	1948	1949	1950	1951	1952	1953	1954
<i>Mining</i>									
Hard coal	Millions of tons	16.7	17.7	17.0	18.5	18.4	20.3	20.3	} 57.6
Brown coal		18.0	23.6	25.5	26.6	29.0	31.8	32.8	
Crude oil	Thousands of tons	18	49	60	102	119	181	196	..
Iron ore	Millions of tons	1.8	1.4	1.5	1.6	1.8	2.1	2.3	..
Manganese ore	Thousands of tons	106	100	..	168	180	231	240	..
Coke	Millions of tons	3.3	5.6	6.6	7.0	7.3	8.0	8.5	..
Coal gas	Million cub. m.	136	611	..	..	..	782	868	..
<i>Electric power</i>	Million MWh	4.1	7.5	8.4	9.3	10.3	11.7	12.4	13.5
<i>Basic materials</i>									
Pig-iron	Millions of tons	1.7	1.6	1.9	2.0	2.1	2.3	2.8	..
Crude steel		2.3	2.6	2.8	3.2	3.5	3.8	4.4	..
Copper	Thousands of tons	0.9	6.5	7.0	7.5	8.0	9.0	..	..
Rolled products	Millions of tons	1.6	1.7	1.9	2.2	2.3	2.5	2.9	..
<i>Chemicals</i>									
Sulphuric acid	Thousands of tons	166	215	..	..	..	..	312	..
Sodium hydroxide		..	37	46	..	..	..	61	..
Nitrogenous fertilizers ^a		23	31	34	..	..	..	38	..
Phosphate fertilizer ^b		48	60	61	..	..	63	74	..
Soap		..	28	29	..	..	58	60	..
<i>Building material</i>									
Cement	Millions of tons	1.3	1.6	1.7	1.8	2.1	2.2	2.3	..
Lime		0.9	0.9	1.0	..	..	..	1.1	..
Bricks	Billions	1.1	0.9	0.8	..	..	..	1.3	..
Plate glass	Thousands of tons	..	130.9	135.5	137.0	..	..	146.6	..
<i>Engineering</i>									
Electric motors 0.5-25 kW	Thousands	81.6	276.2	291.6	..	..	..	383.9	..
Motor vehicles ^c		8.2	13.2	..	16.4	..	..	20.9	..
Railway wagons ^d		1.7	11.0	..	4.3	8.4	9.4	12.5	..
<i>Light industry and others</i>									
Woollen fabrics	Thousands of tons	17.2	23.8	25.7	..	..	..	28.6	..
Silk fabrics ^e		..	11.7	..	..	..	..	19.5	..
Working clothes	Million units	..	..	3.9	4.6	6.2	8.5	..	..
Paper	Thousands of tons	224	260	275	294	299	308	317	..
Refined sugar		604 ^f	518	597	704	..	590	637	..
Cigarettes	Billions	11.7	13.0	11.9	14.3	15.5	17.0	..	..

Sources: See Appendix B.

^a In terms of nitrogen content.

^b In terms of plant nutrient.

^c In motor-truck units (1 truck = 3 motor-cars).

^d In freight-truck units (1 passenger car = 10 freight trucks, 1 motor-car = 12 freight trucks).

^e Measured by weight (in millions of metres):

	1948	1949	1953
Cotton fabrics	280	254	347
Silk fabrics	26	..	44
Linen and half-linen fabrics	35	..	48

^f 1936/37.

Table LVIII
INDUSTRIAL PRODUCTION IN EASTERN GERMANY

Commodity	Unit	1936 ^a	1948	1949	1950	1951	1952	1953
<i>Mining</i>								
Hard coal	Millions of tons	3.5	2.8	3.0	2.8	3.2	..	..
Lignite		101.1	110.1	127.5	137.3	152.5	159.1	175.0
Brown coal briquettes		24.0	29.8	34.7	37.6	41.4	44.3	46.5
Iron ore		0.3	0.3	0.3	0.4	0.5	0.8	1.3
Copper ore		1.1	0.5	0.7	0.8	1.0	1.0	1.4
Potash salt ^b		1.0	0.9	1.2	1.3	1.4	1.3	..
<i>Electric power</i>	Million MWh	13.9	14.5	17.3	18.3	20.1	21.7	23.0
<i>Basic materials</i>								
Pig-iron	Millions of tons	0.2	0.2	0.2	0.3	0.3	0.7	1.1
Crude steel		1.4	0.3	0.6	1.0	1.5	1.9	2.2
Rolled products		..	0.2	0.4	0.8	1.1	1.3	1.5
<i>Chemicals</i>								
Sulphuric acid	Thousands of tons	302	147	194	233	275	288	348
Caustic soda ^b		124	78	130	150	185*	294*	231*
Calcined soda		378	..	90	99	117	184	285
Nitrogenous fertilizers ^b		305	..	..	230	..	..	272*
Phosphorous fertilizers ^b		32	20	20	24	32	37	70*
Rayon		12	6	8	9	15	18	20*
<i>Building materials</i>								
Cement	Millions of tons	1.7	0.9	1.2	1.4	1.6	2.0	2.4
Bricks	Billions	2.6	0.3	1.0	1.4	1.7*	1.8*	2.0*
Plate glass	Millions of m ²	2.2	9.8	13.4	15.0	14.9	13.4	18.0*
<i>Engineering</i>								
Tractors	Thousands	..	..	0.9*	5.4	9.1	..	15.3*
Motor trucks		17.4	..	0.9	2.4	9.7	12.6	14.0*
Motor-cars		60.8	..	4.5	9.2	11.9*	19.8*	29.0*
<i>Light and food industries</i>								
Cotton, woollen and other fabrics	Millions of m ²	—	..	181	261	326	349	391
Textile yarns	Thousands of tons	210	..	..	168	..	..	247*
Knitwear	Millions of pieces	..	..	..	60	83	98*	114*
Socks and stockings	Millions of pairs	312	..	..	116	143	172	184*
Leather footwear		17	6	6	8	11	14	18
Raw sugar	Thousands of tons	846	565	715	700	850	795	750

Sources: See Appendix B.

^b In pure content.

^a It should be noted that production increased rapidly between 1936 and 1938; for example, in 1938, production of crude steel was 1.7 million tons, cement 2.5 million tons and electric power 17.2 million MWh.

Table LIX
INDUSTRIAL PRODUCTION IN HUNGARY

Commodity	Unit	1938	1948	1949	1950	1951	1952	1953	1954
<i>Mining</i>									
Hard coal	Millions of tons	1.0	1.2	1.4	1.5	1.6	1.8	2.1	} 22.0
Lignite		8.4	9.4	10.4	11.8	13.6	16.9	19.2	
Iron ore		0.3	0.3	0.3	0.4	0.4	..	..	..
Crude oil	Thousands of tons	43	485	497	530	596	697	830	1194
Bauxite		540	479	561	650*	..	680	..	831
<i>Electric power</i>	Million MWh	1.4	2.0	2.5	3.0	3.5	4.2	4.6	..
<i>Basic materials</i>									
Pig-iron	Millions of tons	0.3	0.4	0.4	0.5	0.5	0.6	0.7	..
Crude steel		0.6	0.7	0.9	1.0	1.3	1.5	1.5	1.5
Rolled products		0.4	..	0.5	0.5	0.6	0.8	0.8	..
Aluminium	Thousands of tons	1.3	9.1	14.4	..	26.6	30.9	30.0	28.4
<i>Chemicals</i>									
Nitrogenous fertilizers ^a	Thousands of tons	7.4	12.6	15.8	17.4	16.0	15.2	14.6	16.0
Other fertilizers ^a		8.8	7.5	14.3	23.6	22.4	19.9	26.4	27.2
<i>Building materials</i>									
Cement	Millions of tons	0.3	0.3	0.6	0.8	1.0	1.1	1.1	1.0
Plate glass	Millions of m ²	1.6	..	3.9	4.4	..	..	..	..
<i>Engineering</i>									
Machine-tools	Thousands	0.1	1.9	3.5	6.9	11.4	12.4	..	..
Tractors		0.6	1.2	2.6	3.9	3.6	1.5	0.8	..
Railway wagons		1.5	4.1	4.9	4.0	3.2	3.6	..	..
Motor-cycles		0.9	2.8	6.7	8.5	12.1	13.0	14.6	15.0
Bicycles		48	82	137	156	185	218	136	174
Wireless sets		..	..	71	102	140	180	155	..
<i>Light industry and others</i>									
Cotton fabrics	Millions of m ²	..	..	167	180	206	215	209	227
Woollen fabrics		20.0	14.4	16.0	17.9	21.9	16.4	..	..
Leather footwear	Millions of pairs	3.5	3.7	4.2	6.1	7.8	9.0	8.4	10.5
Paper	Thousands of tons	50	54	71	..	..	..	..	..
Sugar, refined	Thousands of tons	127	..	144	181	255	155	266	..

Sources : See Appendix B.

^a In pure content.

Table LX
INDUSTRIAL PRODUCTION IN POLAND

Commodity	Unit	1937		1948	1949	1950	1951	1952	1953	1954
		Pre-war	Post-war territory							
<i>Mining</i>										
Hard coal	Millions of tons	38.1	66.0	70.3	74.1	78.0	82.0	84.4	88.6	91.3
Lignite		—	5.0	5.0	4.6	4.8	5.9	6.2	6.9	..
Crude oil	Thousands of tons	501	160	135	154	165	188	224	250	..
Iron ore		780	..	659	699	790	901	1027	1345	1614
Coke	Millions of tons	2.3	5.7	5.1	5.8	6.0	6.4	7.4	7.9	9.0
<i>Electric power</i>	Million MWh	4.0	6.3	7.5	8.3	9.0	10.6	12.0	13.6	15.4
<i>Basic materials</i>										
Pig-iron	Millions of tons	0.7	1.0	1.2	1.4	1.5	1.6	1.8	2.3	2.7
Crude steel		1.5	1.9	2.0	2.3	2.5	2.8	3.0	3.6	4.0
Rolled products		1.1	..	1.3	1.5	1.8	2.0	2.2	2.5	..
<i>Chemicals</i>										
Sulphuric acid	Thousands of tons	189	267	223	282	300	320	400	428	603
Caustic soda		22	23	48	58	66	72	72	83	91
Calcined soda		..	..	..	162	..	272	280	305	265
Fertilizers ^a		498	..	628	814	857	934	1027	..	..
of which :										
nitrogenous ^{a b}		220	..	339	388	430	..	394	441	526
superphosphates ^{a b}		277	..	289	425	454	..	449	480	680
Rayon		6.5	..	7	12	13	15	15	..	31
Dyes		..	..	3.6	3.7	3.0	3.6	4.5	5.4	7.3
Carbon electrodes		..	..	9.7	12.1	13.7	18.9	..	..	22.2
Soap		55.4	..	25	53	70	73	76	81	..
<i>Building materials</i>										
Cement	Millions of tons	1.3	2.8	1.8	2.3	2.5	2.7	2.6	3.3	..
Plate glass	Thousands of tons	25.0	..	76.0	76.9	88.4	91.9	107.5	..	..
<i>Engineering</i>										
Railway wagons	Thousands	0.3	0.8	13.0	15.4	15.8	16.4	16.9	17.4	..
Motor trucks		..	..	0.02	0.2	0.8	2.7	7.0	..	..
Motor-cars		..	..	—	—	—	0.08	1.6	..	..
Machine-tools	Thousands of tons	1.7	3.1	6.8	9.4	12.2	17.2	15.4	20.3	..
Tractors	Thousands	—	—	..	2.5	4.0	4.1	6.0	6.9	..
Motor-cycles		..	..	2.1	4.2	7.1	11.0	..	13.7	..
Bicycles		..	..	75.0	91.1	99.3	124.5	237.0	303.4	..
Wireless sets		178.0	..	33.7	66.1	116.1	156.9	215.0	268.7	..
<i>Light and food industries</i>										
Cotton fabrics	Millions of m²	..	288	344	406	431	461	470	499	..
Woollen fabrics		..	37.7	41.9	50.1	56.5	61.6	64.1	70.5	..
Linen fabrics		..	5.8	32.5	39.3	49.9	..	..	..	..
Rayon fabrics		..	23.0	31.5	47.7	57.4	66.0	68.0	68.0	..
Leather footwear	Millions of pairs	2.1	..	4.9	7.3	12.8	18.0	19.6	20.8	..
Paper	Thousands of tons	195	599	247	265	292	335	347	354	..
Cigarettes	Billions	7.7	..	15.0	21.3	25.7	33.0	30.4	32.5	..
Raw sugar	Thousands of tons	506	900	624	745	955	855	825	1105	..

Sources : See Appendix B.

^a Gross weight.

^b Measured in pure content (in thousands of tons):

	1949	1952	1953	1954
Nitrogenous fertilizers	66	68	76	90
Phosphorous fertilizers	72	76	81	115

Table LXI
INDUSTRIAL PRODUCTION IN RUMANIA

Commodity	Unit	1938	1948	1949	1950	1951	1952	1953	1954
<i>Mining</i>									
Hard coal	Millions of tons	0.3	0.2	0.2	0.3	0.3	0.4	0.5 ^a	..
Lignite		2.1	2.2	2.7	2.9	3.5	3.9	4.4 ^a	..
Crude oil		8.6 ^b	4.3	4.7	5.3	6.5	8.4	9.5	10.2
Iron ore		0.1	0.2	0.3	0.4	0.5	0.6	0.7	..
Natural gas	Billions of m ³	2.0	..	..	1.8	2.3	..	3.5	..
<i>Electric power</i>	Million MWh	1.2	1.5	1.9	2.2	2.5	3.0	3.4	..
<i>Basic materials</i>									
Pig-iron	Thousands of tons	130	191	275	336	350	390	456	..
Crude steel		277	340	459	560	650	702	720	..
Copper		0.6	1.1	2.5	..	..	..	..	..
<i>Chemicals</i>									
Sulphuric acid	Thousands of tons	43.2	26.3	37.0	50.0	..	79.3	86.4	..
Caustic soda ^c		11.9	12.5	14.4	15.4	19.6	22.0	23.8	..
Super-phosphate fertilizer ^d		2.5	1.3	3.8	4.8	9.2	18.1	18.6	..
<i>Building materials</i>									
Cement	Millions of tons	0.5	0.7	0.9	1.0	1.1	1.5	1.9	..
Bricks		1.2	..	..	..	..	..	4.1	..
Plate glass	Thousands of tons	13.2	23.3	..	..	..	29.5	33.0	..
<i>Engineering</i>									
Tractors	Thousands	—	0.8	2.2	3.7	3.5	4.3	5.1	..
<i>Light industries and others</i>									
Cotton and viguna fabrics	Millions of m ²	..	79	100	140	164	190	192	..
Woollen fabrics		..	11.4	16.9	21.3	26.1	27.3	28.9	..
Silk and rayon fabrics		..	6.8	11.4	12.7	13.8	16.0	15.2	..
Leather footwear	Millions of pairs	..	3.5	9.3	11.6	..	..	9.0	..
Paper		61	76	90	101	108	114	..	..
Sugar, refined	Thousands of tons	70	90	100	85	100	89	100	..

Sources : See Appendix B.

^b 1936.

^a On other base of calculation, some official sources give a total coal production of 6 million tons.

^c In pure content.

^d Gross weight.

Table LXII
LIVESTOCK NUMBERS AND PLANS IN EASTERN EUROPE

Thousands of head

	Cattle		Pigs	Horses	Sheep	Goats	Poultry
	Total	of which cows					
<i>Albania</i>							
1938	134 ^a		15	109 ^b	1 574	932	..
1950 December	129 ^a	..	47	118 ^b	1 707	830	..
Plan 1955 December	139 ^a	..	127	124 ^b	1 844	847	..
<i>Bulgaria</i>							
1939	1 640		1 080	580	11 000		
1948 December	1 910	..	..	550	10 000		..
1953 December	1 700	..	2 070	460	8 400		..
Plan 1954 December	1 740	..	2 400	470	8 600		..
<i>Czechoslovakia</i>							
1936 December	4 376	2 341	3 160	663	486	1 046	41 748
1948 June	3 461	1 892	2 679	635	498	1 052	26 298 ^c
1953 December	3 842	2 176	3 456	..	1 106	..	.. ^d
Plan 1955 December	3 842	2 176	3 732	..	1 327	..	..
<i>Eastern Germany</i>							
1936 December	3 605	1 960	6 187	809	1 595	691	20 690
1950 December	3 615	1 616	5 705	723	1 085	1 410	15 950
1953 December	3 796	2 020	8 204	..	1 550	1 135	..
1954 June	3 800	2 036	8 000	..	2 950 ^e		..
Plan 1955 December	4 000	2 340	8 300	..	..	..	..
<i>Hungary</i>							
1938 April	1 882 ^a	917	5 224	814	1 629		..
1948 March	1 750 ^a	910	2 725	550	820		..
1953 December	2 200	900	5 716 ^e	700	1 600		..
1954 October	..	.. ^f	6 796	..	.. ^g		..
<i>Poland</i>							
1938	9 924	6 294	9 684	3 149	1 941	787	
1948 June	5 748	3 647	4 626	2 297	1 410	..	..
1953 June	7 385	5 300	9 730	2 720	3 330	..	..
Plan 1955 June	8 000 ^h	5 500	10 750 ⁱ	..	4 250 ^h	..	..
<i>Rumania</i>							
1938	3 652 ^a		2 200	1 581	10 451		27 324
1948 December	4 112 ^a	..	1 591	922	11 263		15 924
1952 December	4 767 ^a	..	3 523	1 080	..		..
1953 December	4 581 ^a	..	3 634	1 073	11 482		27 114
Plan 1956 December	4 930 ^a	2 365	4 600	1 240	13 800		35 000

Sources: See Appendix B.

NOTE. — The pre-war figures refer to post-war territories and presumably end-year countings.

^a Including buffaloes.

^b Including mules and asses.

^c Of which 9,932 hens.

^d Of which 13,110 hens.

^e October.

^f Plan for end-1956, 1.1 million head.

^g Plan for end-1956, 2.3 million head.

^h The Plan targets for 1954 were surpassed.

ⁱ The Plan targets for 1954 were not realized.

Table LXIII
SOWN AREAS AND SOWING PLANS IN EASTERN EUROPE ^a

Millions of hectares

Country and Year	Grain			Total technical crops	Potatoes and vegetables		Total fodder	Total sown area
	Bread	Coarse	Total		Potatoes	Total		
<i>Albania</i>								
1938	..	..	0.212	0.003	..	0.004	0.003	0.221
1949	0.084	0.194	0.278	0.021	..	0.009	0.015	0.323
1953	..	..	0.264	..	..	..	..	0.362
1954	..	..	0.290	0.035	..	..	..	0.376
1955 Plan	..	..	0.285	0.046	..	0.016	0.039	0.400
<i>Bulgaria</i>								
1939	..	..	3.4	0.34	..	..	0.46	3.8
1948	..	..	3.2	0.41	..	0.06	0.48 ^b	3.9
1953	..	..	3.1	0.57	..	0.08	..	4.2
1957 Plan	..	..	..	0.70	..	0.09	0.79	..
<i>Czechoslovakia</i>								
1938	0.86 ^c	0.66 ^d	3.38 ^e	0.23	0.72	0.86	1.07	5.55
1948	0.87 ^c	0.58 ^d	3.03 ^e	0.29	0.55	0.67	1.21	5.21
1953	0.78 ^c	0.68 ^d	2.47 ^e	..	0.63	..	..	4.87
1954	..	..	..	..	..	..	..	4.79
1955 Plan	..	..	..	..	..	..	..	4.84
1957 Plan	..	..	..	..	..	..	..	4.99
<i>Hungary</i>								
1934/38	2.25	1.86	4.11	0.11	0.29	0.39	0.81	5.48
1948	1.91	1.99	3.90	0.37	0.28	0.36	0.71	5.44
1953	1.75	1.68	3.43	0.56	0.21	..	0.78	5.05
1954	1.88	1.74	3.62	..	0.25	..	0.86	5.40
<i>Poland</i>								
1934/38	6.7	3.0	9.7 ^f	0.3	2.8	3.0	2.8 ^g	15.8
1949	6.6	2.8	9.4 ^f	0.5	2.5	2.7	2.2 ^g	14.8
1954	7.0	2.2	9.2 ^f	0.8	2.5	2.7	2.0 ^g	14.7
1955 Plan	..	..	..	..	..	..	..	15.3
<i>Rumania</i>								
1935/39	2.9	5.3	8.2	0.2	..	0.3	0.6	9.9
1948	2.7	5.2	7.9	0.7	..	0.4	0.6	9.6
1952	3.0	3.6	6.6	1.0	..	0.6	0.8	9.0
1956/57 Plan	3.0	4.4	7.4	0.9	..	0.7	1.3	10.0

Sources: See Appendix B.

^a Pre-war figures refer to post-war boundaries.

^b 1947.

^c Wheat only.

^d Barley only.

^e All grains.

^f Wheat, rye, barley and oats only.

^g Fodder and other unspecified crops.

Table LXIV
TRACTOR STOCKS AND DENSITIES IN EASTERN EUROPE

		Thousands of 15 H.P. units				Hectares of arable land per 15 H.P. unit	
		1949	1951	1953	1954 ^a	1949	1953
<i>Albania</i>	MTS	..	0.25	0.5	..	..	..
<i>Bulgaria</i>	Total	6.2	12.1	13.5	14.7	620	308
	of which MTS . .	6.0	11.4	13.1	..		
<i>Czechoslovakia</i>	Total	27.0	..	30.7	32.7 ^{b c}	237 ^d	159
	of which MTS . .	1.2 ^d	15.8 ^e	18.9	..		
<i>Eastern Germany^f</i>	MTS	17.1 ^g	28.7	46.1	50.3 ^b	273 ^h	105 ^h
	State farms	..	..	9.8	..	..	21
<i>Hungary</i>	Total	9.2	15.2	14.0	15.4 ^b	593	379
	of which MTS . .	3.6	8.8	10.6	12.0		
<i>Poland</i>	Total	15.5	31.8	45.3	49.3 ^b	950	325
	of which MTS . .	0.2	9.3	16.4	19.0		
<i>Rumania</i>	Total	12.5 ⁱ	..	23.3	24.8	752	386
	of which MTS . .	3.8	7.6	14.0	15.0		

Sources: See Appendix B.

NOTE. — The letters MTS stand for Machine and Tractor Stations. Figures are end-of-year unless otherwise stated.

^a Mid-year.

^b These figures were obtained by adding deliveries during the first half of 1954 to the end-1954 stock—that is, they are over-estimated since no account has been taken of depreciation in 1954.

^c In Czechoslovakia the deliveries from 15 September 1953 to 31 December 1954 were more than 10,000 units.

^d 1948.

^e 1950.

^f The original data, given in 30 H.P. units, were converted into 15 H.P. units in order to ensure comparability.

^g End of the third quarter of 1949.

^h As the numbers of tractors on State farms are not known for all years, these figures represent the ratio of the arable area outside State farms to the number of tractors on Machine and Tractor Stations. The figure for agriculture as a whole would be somewhat lower, particularly in 1949, because of the higher tractor density in State farms.

ⁱ Beginning of 1949.

Table LXV
FERTILIZER SUPPLIES PER HECTARE OF AREA ^a
Kilogrammes of Pure Content

Country	Year	Nitrogenous	Phosphorous	Potassic	Total ^b
Czechoslovakia	1948/49	8.0	13.5	9.6	31.1
	1952/53 Plan ^c	18.1	21.6	17.1	56.8
	1952/53	10.7	15.0	25.3	51.0
	1954 Plan	12.0	15.4	25.3	52.7
Eastern Germany ^d . .	1948	20.2	4.2	37.6	62.0
	1950	28.2	14.5	54.0	96.7
	1953	31.3	12.5	63.2	107.0
	1954	31.5	23.8	67.7	123.0
	1955 Plan	35.0	23.8	50.0	108.8
Hungary	1949	2.3	1.1	0.6	4.0
	1951	3.2	3.6	1.6	8.4
	1953	2.8	3.0	0.8	6.6
	1954 Plan	..	..	..	12.4
Poland	1948/49	4.8	5.5	7.4	17.7
	1951/52	7.8	8.7	11.5	28.0
	1953/54	9.0	9.5	12.3	30.8
	1954/55 Plan	12.0	10.0	13.0	35.0

Sources : See Appendix B.

NOTE. — In Albania, Bulgaria, and Rumania, official reports give only the "area treated with fertilizers"; the supply per hectare of arable land would be extremely small as compared with the other countries.

^a Agricultural area for eastern Germany, arable area for the three other countries.

^b Excluding lime.

^c 1951 version.

^d Supplies of lime were:

	Kgs.
1948	41.8
1950	86.4
1953	86.4
1954	90.0

Appendix B

NOTES ON SOURCES AND METHODS

(For page reference to the notes on particular tables, see the Table of Contents, p. pages vi-xi)

I. GENERAL

As in previous years, the statistics given should be regarded in the first place as basic documentation for the economic analysis made in the SURVEY. They are therefore somewhat different in nature from statistics normally published in statistical yearbooks and other publications of a purely statistical nature. First, when no official figures are available, it is often preferable to have an estimate rather than no figure at all. Consequently, estimated figures which have a wider margin of error than is usually allowed in statistical publications are sometimes shown in the various tables. In the second place, the available national statistics have, for the sake of comparability as between countries, often been adjusted to more uniform definitions. For this reason, the figures shown differ in many instances from those given in national publications, or in other publications of the United Nations and its specialized agencies. Finally, the methods of compilation have been chosen with a view to the special use for which the data are intended. This does not necessarily mean that for other purposes other methods might not have been preferable.

Where a table gives totals for a number of countries, these totals always refer to the same group of countries for each period shown. In cases where figures for a given country are not available for one or more periods, estimates of these missing figures are included in the totals. Except where otherwise stated, area totals include estimates for those countries for which no data are available, or assume that the series for the missing country moved in proportion to the average for the other countries.

Slight discrepancies between constituent items and the totals shown in the tables are due to rounding.

The tables include information received up to the end of December 1954. In general, the more recent figures are to be regarded as provisional, and subject to revision.

The notes on sources and methods given in this SURVEY should be regarded primarily as a continuation of those to be found in previous ones and especially in *Economic Survey of Europe since the War*, Geneva, 1953, and in subsequent issues of the *Economic Bulletin for Europe*. The present notes deal mainly, therefore, with new tables, changes in sources and methods for existing ones, and additional material used to bring them up to date.

Method of Reference to Sources

Sources are again referred to in the way introduced in the last SURVEY. Wherever the sources for a table have been few and the methods used self-evident, the necessary references have been given under the table. All sources referred to in this Appendix are listed systematically at the end and are given a number, by which they are referred to in the succeeding notes.

Information on sources is given in the following order: first the department, institution, or other authority responsible for the publication (or in the case of books, the author);¹ where the site of the issuing authority is not the capital city, the place of issue is indicated, this being followed by the title of the publication; the place of publication is then given, if different from the place of issue, and is followed by the mention of the publishing house (where different from the issuing authority) and (for non-periodical literature) the date of publication. Finally, for periodicals an indication is given of the frequency of publication. Such details are omitted when they are already apparent from the wording of the title (e.g., *Monthly Digest of Statistics* for periodicity, and *Maandschrift van het Centraal Bureau voor de Statistiek* for both periodicity and issuing authority). The publisher is not normally mentioned for official publications. In addition to the foregoing exceptions, there were a few cases where full bibliographical detail was not known.

If no particular issue of a periodical is indicated, it is to be understood that various issues of it were used as a source for the statistics. If, for any country, the title of a publication is given in a language other than the national language of that country, it is to be understood that a translation of the publication exists in the language indicated or that the edition is largely bilingual.

II. OUTPUT AND SUPPLY IN INDUSTRY AND AGRICULTURE (Tables 9, 12, 26-28, 30, 32, 37, 39, I-VIII, XIX, LII-LXV and Charts 1, 3, 6 and 9)

1. INDEX NUMBERS OF INDUSTRIAL PRODUCTION (Tables I-VIII, Charts 1, 3 and 9)

The sources and methods adopted are essentially those described in the SURVEY for 1953 and subsequent quarterly bulletins. The following notes indicate changes that have occurred since the publication of the *Economic Bulletin for Europe*, Vol. 6, No. 3.

¹ For newspapers and ordinary commercial periodicals, this information is not given.

INDEX NUMBERS OF TOTAL INDUSTRIAL PRODUCTION AND OF PRODUCTION BY SECTORS (Tables I-VIII)

Belgium: Metal-using: the component series "automobiles" of "fabrifications métalliques" is now of greater coverage. The official revisions have been made retrospectively.

Food, beverages and tobacco: a new official series for "laiteries" has now been included in the series for all annual index numbers from 1950 and for all quarters of 1953 and 1954.

The index of total production is correspondingly affected by these changes.

Denmark: Official revisions to all series following the results of the census of production for 1953.

Ireland: Official revisions to all series following the results of the census of production for 1952.

INDEX NUMBERS OF INDUSTRIAL PRODUCTION AND OF THE CONSUMPTION OF TEXTILES
CORRECTED FOR SEASONAL VARIATIONS (Charts 1, 3, and 9)

The basic figures are taken from Table I (Total Production), Table IV (Metal-using Industries), Table VI (Textiles) and Table XXI (Volume of Consumption of Textiles).

Seasonal corrections have not been made to the individual component series of each sector nor have the corrections obtained for each of the sector series been used for computing the corrections applicable to the total index.

Where necessary, official index numbers of production have been corrected for the changing number of working-days in each month before adjusting for seasonal variation. Such corrections have been made after taking account of the different industrial holidays (including Saturdays) in each country.

For each of the four series, moving averages of four quarters have been calculated: 1948 to 1954 for total industry, 1950 to 1954 for metal-using, 1948 to 1954 for textiles and 1949 to 1954 for textile consumption.

The moving-average index numbers have been expressed as a ratio of the corresponding original index numbers adjusted for the changing number of working-days. After elimination of those ratios which appeared unduly removed from the general pattern obtained, averages of the remaining ratios have been calculated over the particular period considered and adjusted so as to sum to unity. The ratios finally obtained have been taken to represent the seasonal pattern and are shown in Table A:

Table A

INDEX NUMBERS OF SEASONAL VARIATION IN INDUSTRIAL PRODUCTION AND THE VOLUME
OF CONSUMPTION OF TEXTILES

Average ratio of moving-average index number to the original index number ^a

	Quarter	Austria	Belgium	Den- mark	Finland	France	Western Germany	Italy	Nether- lands	Norway	Sweden	Switzer- land	Unit Kin don
Total industry	First	1.040	0.991	0.986		0.971	1.021	1.001	0.997				0.97
	Second	0.989	0.984	0.970		0.951	1.007	0.957	0.996				0.97
	Third	0.993	1.047	1.075		1.091	1.024	1.070	1.043				1.07
	Fourth	0.978	0.978	0.969		0.987	0.948	0.972	0.964				0.97
Metal-using industries	First	1.016	1.014	0.970	0.960	0.952	1.017 ^b	0.994	1.018	0.931	0.943		c
	Second	0.989	0.976	0.959	0.978	0.946	0.974 ^b	0.934	0.988	0.990	0.948		
	Third	1.062	1.037	1.104	1.114	1.102	1.037 ^b	1.095	0.984	1.140	1.159		
	Fourth	0.933	0.973	0.967	0.948	1.000	0.972 ^b	0.977	1.010	0.939	0.950		
Textile industries . . .	First	0.964	0.985	0.931		0.971	0.972	0.979	0.966		0.961		0.96
	Second	1.023	1.027	0.957		0.932	1.030	0.940	0.995		0.963		0.98
	Third	1.062	1.062	1.151		1.153	1.058	1.126	1.076		1.124		1.06
	Fourth	0.951	0.926	0.961		0.944	0.940	0.955	0.963		0.952		0.98
Textile consumption .	First	1.282	1.143	1.114			1.189					1.090	1.08
	Second	0.946	0.910	0.973			1.036					0.999	0.97
	Third	1.141	1.066	1.135			1.061					1.153	1.06
	Fourth	0.631	0.881	0.778			0.714					0.758	0.86

^a Corrected for variations in the number of working-days in each quarter.

^b Up to 1951. From 1952 the following coefficients have been used: first quarter: 1.044; second quarter: 0.979; third quarter: 1.024; fourth quarter: 0.953.

^c See note below.

These ratios have been applied to the corresponding quarterly index numbers in order to obtain series corrected for seasonal variation.

For the volume of consumption of textiles, an additional adjustment has been made for the last two quarters of 1950 and the first quarter of 1951. The tremendous changes in the seasonal pattern induced by the Korean war have been smoothed out to present a more continuous picture. The adjustment has been made without affecting the general level and trend of the series.

In certain instances official or other coefficients of seasonal variation were available and these are shown in Table A wherever they have been used. The sources of such index numbers are the following :

Belgium : Total index : information received directly from the Institut de recherches économiques et sociales, Louvain.

Italy : All production series : information received directly from the Central Statistical Office. The original series corrected are those officially published with base 1938 = 100.

Sweden : Total index : series for industrial production (excluding electricity) received directly from the Sveriges Industrieförbund.

United Kingdom : Metal-using : data taken from P. D. Henderson, "Retrospect and Prospect : The Economic Survey of 1954" in 27.5, May-June 1954 (page 177). The seasonal coefficients used, adjusted for comparable presentation, are :

	Engineering	Vehicles	Metal goods n.e.s.
January-April	0.990	0.985	0.976
May-August	1.058	1.047	1.075
September-December	0.962	0.976	0.962

The three component series for index numbers of metal-using industry have been combined after correction for seasonal variation.

Finally, in the special case of metal-using industries in western Germany, where the trend alters quite sharply from 1951 to 1952, the correction has been made in two stages, first for the period 1950 to 1951 inclusive, and then for 1952 to 1954. The two sets of coefficients of seasonal variation are shown in Table A.

2. BUILDING ACTIVITY (Tables 9, 30, XVIII and LII)

DWELLING CONSTRUCTION AND OTHER BUILDING ACTIVITY (Table XVIII)

Except as otherwise stated below, the source for all data is 30.11.

Belgium : 3.4 for dwellings authorized. Data refer to the number of residential buildings, rather than to dwellings, and include conversions and alterations. The estimated number of dwellings completed is from 3.8 and has a coverage similar to that of authorizations. The construction indices are from 3.5.

Denmark : The quarterly figures, covering 85 to 95 per cent of total dwelling construction in the whole country, do not include rural districts. The annual index numbers for construction are based on investment data for building (with the exclusion of civil engineering), taken from 30.6 and 30.7.

Finland : Quarterly figures for dwellings refer to 65 urban districts covering about 40 per cent of total dwelling construction. The index of construction, a component of the general index of industrial production, is taken from 7.1 and 7.9 and replaces the index of employment in building previously shown.

France : The construction index is a component of the general index of industrial production.

Western Germany : The annual data on completions and the construction indices (series uncorrected for variations in the number of working-days) are taken from 10.2.

Italy : Original data for the number of rooms have been converted into dwellings by use of the following conversion factors, derived from data on rooms and dwellings supplied by the Central Statistical Office (rooms per dwelling) : 1950 : 3.63; 1951 : 3.74; 1952 : 3.74; 1953 : 3.72. For 1954 the factor for 1953 has been applied. Quarterly data include only communes with more than 20,000 inhabitants, covering about 50 per cent of total dwelling construction.

Norway : The construction index is the index of employment in construction and the quarterly figures refer to the end of the period.

Spain : The data include only provincial capitals and communes of more than 20,000 inhabitants.

Sweden : Quarterly data refer throughout to 53 towns only, relating to 55 to 60 per cent of total dwelling construction. The construction index is derived from the number of insured workers, less unemployed in construction, given in 23.12 up to the end of 1952 and in 23.11 thereafter. Owing to lack of sufficient data the following periods had to be selected : the index for the first quarter refers to the situation in February; that for the second quarter to the average of April

and June; for the third quarter to August; and the index for the fourth quarter refers to the average of October and December. The annual index is the average of these quarterly indices.

Switzerland: The annual data on dwellings completed, taken from 30.6 and 30.7, are estimates covering the whole country.

The annual data on dwellings authorized and under construction, and the half-yearly data for dwellings under construction, relate to municipalities with over 2,000 inhabitants, covering 80 to 85 per cent of total dwelling construction. Quarterly data for dwellings authorized and completed include 42 towns, covering 50 to 55 per cent of total dwelling construction.

The index of construction is based upon employment figures adjusted for variations in the number of hours worked per week in the building industry, as given in 24.1.

United Kingdom: The construction index is a component of the general index of industrial production.

INDUSTRIAL BUILDING BEGUN OR AUTHORIZED (Table 9)

Denmark: 6.1. Floor space of factories and workshops started.

Finland: 7.8. Industrial buildings under construction at the end of June each year. The original figures were in cubic metres.

France: 8.1. Number of licences granted for private industrial and commercial building.

Western Germany: 10.2. Man-hours worked in industrial building. Allowance has been made for the progressive increase in the number of firms included from year to year.

Netherlands: 16.4. The value of industrial building authorized has been deflated by the dwelling-cost index given in 16.6.

Sweden: 23.3. Value of building in manufacturing industry for which applications have been received, deflated by the dwelling-cost index given in 23.2.

Switzerland: 24.1. Number of factory projects approved.

United Kingdom: 27.20. Floor space of building started and of projects approved for manufacturing industry.

HOUSING CONSTRUCTION IN EASTERN EUROPE (Tables 30 and LII)

General

The figures for Bulgaria, Eastern Germany and Rumania were available in square metres, but it is not certain whether they refer to "dwelling" or to "living" space (i.e., whether they include kitchens and bathrooms). The Czechoslovak Five-year Plan gave the target in square metres, without specifying whether private construction was included or whether dwelling or living space was understood. The figure taken from plan results does include private construction and has been converted into living-space (40 m² per dwelling have been assumed). The data for Hungary and Poland have been converted into dwellings by use of the official factor of 40 m² per dwelling.

Bulgaria: 4.8 and 4.4, 18 January 1949 and 30 April 1953 gave the plan figures and results of the first Five-year Plan and the planned figures for the second Five-year Plan. These data were used as a basis.

Czechoslovakia: 9.7, No. 6, 1954; 5.4, No. 10, 1954; 5.1, 14 June 1954, and plan fulfilment reports.

Eastern Germany: 9.3, 2 November 1951 and 9.1, 4 April 1954.

Hungary: 12.1, 24 January 1954, plan fulfilment reports and 30.6.

Poland: 18.5, No. 9, 1953 (page 32); 30.7 (pages 123-132) and 18.1, 2 July 1954 and 2 December 1954.

Rumania: The total completed for the years 1949 to 1953 was given in 20.1, 23 August 1953, while 1950 and 1953 actual were given in the plan fulfilment reports. 1952 was derived from the 1953 Plan, leaving 1949 and 1951 as a residual, which was distributed equally between these two years.

3. PRODUCTION AND CONSUMPTION OF INDUSTRIAL COMMODITIES (Tables 12, 27-28, XIX, LIV-LXI and Chart 6)

PRODUCTION, TRADE AND SUPPLIES OF MOTOR VEHICLES (Table XIX)

Italy: Official revisions have been received directly from the Central Statistical Office.

OUTPUT AND SUPPLY OF ENGINEERING PRODUCTS (Table 12 and Chart 6)

With the exception of the United Kingdom, engineering products refer to Section 7 of the Standard International Trade Classification—i.e., machinery, apparatus and appliances and transport equipment. In terms of the International Standard

Industrial Classification of all Economic Activities this corresponds roughly to major groups 36-38 inclusive. For the United Kingdom the data cover all metal goods, corresponding roughly to ISIC major groups 35-39 inclusive.

Unless otherwise stated below, the gross output for 1950 in each country has first been derived, and the gross output (in 1950 prices) for other years has then been obtained by multiplication with the index numbers of production for the metal-using industries, given in Table IV.

The value of output in the base year is in principle the gross value (excluding repairs and maintenance), before taxes on production and free from duplication—i.e., net of deliveries from one sector of the engineering industry to another. Unless otherwise specified below, the deduction for duplication was taken as 13 per cent of gross output. The figures used for imports, exports and home supply have not been adjusted for trade margins.

Trade data obtained in current values from national trade statistics have been expressed in constant prices by use of a method similar to that described for Table XLVIII.

The sources used for production are as follows:

Belgium : 3.7, 1952.

Denmark : 6.2, 1950.

France : Information for the year 1952 directly supplied to the Secretariat.

Western Germany : Production data for 1952 were taken from 10.15. Estimated double-counting, averaging 23 per cent, was derived from an article entitled "Die Investitionen im Rahmen der Sozialproduktsberechnung", published in 10.2, January 1952. The index of production used is a weighted index of the following components of the official index: "Maschinenbau", "Fahrzeugbau", "Elektrotechnische Industrie" and "Schiffbau".

Italy : 14.13. Estimated double-counting, averaging 14 per cent, has been derived from inter-industry relations given in 14.5, No. 4, 1952.

Netherlands : 16.7. Estimated duplication, averaging 13 per cent, has been derived from inter-industry relations given in 16.3.

Norway : 17.7.

Sweden : 23.5, 1951 (data for 1950).

United Kingdom : Data covering metal goods for the years 1950-1953 (in 1952 factory prices) were supplied by the Central Statistical Office. Extrapolation for 1954 has been made on the basis of official indices of production and of the volume of imports and exports.

INDUSTRIAL PRODUCTION IN THE SOVIET UNION (Table LIV)

For data already given in Table 17 of the SURVEY for 1952 and Tables XL and XLIII of the SURVEY for 1953, see pages 333-334 and 295 respectively of those publications. Except where otherwise stated below, the percentage increases in the Annual Plan Results for later years have been applied to those outputs. The Plan for 1954 was reproduced in 26.2, 27 April 1954.

Peat : The 1954 Plan was 65.5 per cent over 1946 (26.15, No. 6, 1954). 1947 was 20 times 1913 (26.2, 27 March 1948) and 14 per cent above 1946 (26.1, 12 March 1948). 1940 was 18 times 1913 (26.15, No. 7, 1954) so that 1947 was 11 per cent above 1940. 26.15, No. 7, 1954, stated that during 1951-1954 the plan had been overfulfilled.

Atomic energy : A generator of 5,000 kW capacity started generating on 27 June 1954 (26.2, 1 July 1954).

Aggregate energy in coal equivalent : Conversion factors have been taken from 26.31 (pages 132 and 465), except for hydro-electricity, which comes from 31.6 (page 107). The share of hydro-electricity has been obtained from data in Table 18 of the SURVEY for 1952 and from subsequent new capacity.

Gross value of engineering : 1950 from 26.1, 17 April 1951; 1952 from 26.1, 7 November 1952 and 1953 from 26.9, No. 4, 1954 (page 79).

Textile machinery : The planned 1950 output was four times the 1940 figure; 1954 Plan and 1955 (New) Plan from 26.5, 1 February 1954.

Tractors : The 1940 output has been converted to 15 H.P. equivalent assuming 25 H.P. per tractor produced. Row-crop tractors (the small numbers of which were apparently included with all tractors until 1953) are from 26.1, 1 October 1953 and 26.2, 29 September 1953.

Agricultural implements : 26.2, 26 and 29 September 1953, and 26.1, 1 October 1953, except for the 1951 Plan which is from 26.16, No. 12, 1951, and 1953, which is from 26.1, 13 November 1953. Livestock equipment is from 26.16, No. 12, 1951.

All agricultural machinery (output of the Ministry of Agricultural Engineering only): 1950 from 26.16, No. 11, 1951; 1951 from Tass Despatch, 16 January 1952; 1954 from 26.16, No. 11, 1954 (nearly 13 times 1940, and 36.5 per cent over 1953).

Oil-refinery equipment : 1950 compared with 1940 from 26.1, 17 April 1951, 1952 and 1953 compared with 1950 from 26.17, No. 9, 1954.

Coal-mining machinery : 26.18, No. 8, 1953. *Ibid.* No. 6, 1953, reported that combines were not brought into use until 1948, and 26.2, 29 August 1954, that the large-scale introduction of combines and loaders did not start until 1949.

Sewing-machines: 1940 has been derived from the planned increase by 1956 given in 26.10, 5 November 1953.

Watches and clocks: Revised figures for 1940 and 1950 from 26.9, No. 4, 1954.

Television receivers: 1954 from 26.2, 9 January 1955.

Refrigerators: 1953 has been derived from the planned increase by 1955 given in 26.9, No. 4, 1954, whence, from Plan results, revised 1952. 1955 Original Plan, based on 1951, and 1951 based on 1952, from 26.2, 12 October 1952.

Vacuum cleaners and washing-machines: 1953 has been derived from the planned increase by 1955 given in 26.9, No. 4, 1954.

Machine tools: 1940 output of the Ministry of Machine-tool Industry comes from a statement by the Minister in 26.4, 12 November 1946. 1951 was 65 per cent above 1940 (26.1, 30 January 1952) and 1952 was 3 per cent above 1951 (Plan results),

Iron utensils: Estimates for 1940 are based on the distribution between different types of utensil given in 26.9, No. 4, 1954 (page 50) assuming that the 1940 output of black cast-iron utensils was the same as in 1937.

Gross value of chemicals: 1950 from 26.1, 17 April 1951 and 1953 provisional from 26.2, 9 August 1953 (confirmed as final in 18.5, No. 3, 1954). The 1955 Plan is from the main components listed in 26.1, 12 October 1952.

Mineral fertilizers: 1959 Plan from 26.1, 13 September 1953.

Synthetic rubber: 26.19, No. 5, 1954.

Synthetic dyes: 1953 from the increase over 1950, given in 26.2, 12 November 1953.

Pharmaceuticals and medical equipment: 1951 compared with 1950 from a talk by the Deputy Minister of Health, Moscow Radio, 1 February 1952; the 1955 Plan increase over 1950 from 26.20, No. 11, 1952, whence also salicylate and sulfonamide preparations.

Rubber goods: 26.19, No. 1, 1954 and 26.10, 4 February 1954.

Gross value of building materials: 1950 and 1955 Plan from 26.21, No. 10, 1952; 1952 from 26.21, No. 1, 1953; 1953 from 26.2, 26 August 1954; 1954 (provisional) from 26.6, 3 December 1954.

Cement: 1957 Plan based on increase over 1950 for Ministry of Building Materials (26.6, 3 December 1954). Almost the entire output of cement is produced by this Ministry.

Pre-cast concrete units: 26.2, 20 August 1954.

Bricks: 1940 estimate based on 1937 output; 1954 increases over 1940 and 1950 from 26.21, No. 12, 1954 and 26.6, 3 December 1954, respectively. 1951 to 1954 increases were taken from annual Plan results. 1955 Plan from 26.2, 12 October 1952.

Slate: 1954 output and 1957 increase over 1954 from the statement by the Minister of the Building Materials Industry, Moscow Radio and 26.6, 3 December 1954, that 40 per cent of the 1954 output, or 500 million sheets, was sold by retail. 1954 output was six times 1940 (26.1, 17 December 1954).

Window glass: 1954 output was twice that of 1940 (26.1, 17 December 1954); 50 per cent of the 1954 output, or 43 million m², was sold by retail. (Speech of the Minister of Building Materials, 26.6 and Moscow Radio, 3 December 1953). 1953 output was expected to be 12.9 million m² more than 1952 (26.21, No. 12, 1953).

Polished glass: 1940 output was given as 230,000 m² in 26.21, No. 12, 1954. The Plan for 1953 was reported in 26.21 as 2.9 times 1940 (No. 9, 1953) and as both 1.7 times (No. 2, 1953) and 3.4 times 1950 (No. 2, 1953). The latter has been disregarded, as has the 1954 figure of 4.6 times 1950 (26.6, 3 December 1954), on the assumption that both relate to output by the Ministry of Building Materials only. The 1955 Plan was four times 1950 (26.1, 12 October 1952) and the annual increase in capacity during the Plan period was to be 340 000 m² (26.21, No. 12, 1954) i.e., an increase of 1.7 million m². 1952 output was 1.6 times 1950 (26.21, No. 2, 1953) and 1953 planned output was 1.7 times 1950 (26.21, No. 1, 1953).

Plate glass: Speech by the Minister of Trade (26.1, 27 April 1954).

Glassware: 26.1, 28 October 1954.

Commercial timber: 1954 expected output was 12 per cent above 1953 (26.2, 28 November 1954) and 70 per cent above 1940 (26.1, 11 September 1954).

Pianos: 1953 and 1955 Plan in relation to 1940 from 26.9, No. 4, 1954, page 50.

Books: 1952 from 26.2, 5 May 1953, or 88 per cent over 1940 (*ibid.*); 1950 was 84 per cent over 1940 (26.1, 17 April 1951); 1953 (222.8 million novels formed 25 per cent of output) taken from an article by the Director of the Soviet Book Centre, Moscow, in 27.2, 31 December 1954.

Gross output of textiles and clothing: 1950 from 26.1, 17 April 1951; 1952 from 26.2, 13 October 1952; 1953 from a speech by the Deputy Minister of Light Industry (Moscow Radio, 18 April 1954); 1954 from 26.2, 2 December 1954, checked against the increase over 1953 (nine months) in 24.22, No. 11, 1954. The increases from 1950 onward refer to output of the Ministry of Light Industry (from March 1953, Ministry of Manufactured Consumer Goods).

Cotton, wool and silk fabrics: Revised data for 1950-1952 are based on 1954 expected outputs (in absolute terms) and percentages of 1953 and 1950 (26.1, 7 November 1954).

Linen fabrics: Revised 1950 output data are from 26.32, quoted by 18.9, Nos. 11-12, 1953; 1950 Plan from 26.23, Nos. 11-12; the 1954 Plan was 7 million metres above 1953 (26.23, No. 1, 1954).

Rayon : 1940: the planned increase in capacity from 1946 to 1950 was 102,000 tons (Plan Law) and in production 56-fold according to 26.23, No. 6, 1946 (capacity was assumed unchanged from 1940 to 1946); 1951 and 1955 Plan from 26.2, 13 October 1952, as also the 1951 increase over 1950; 1953 increase over 1940 from 26.21, No. 11, 1953; 1954 (nine months only) was 25 per cent above 1953 (26.23, No. 12, 1954).

Staple fibre : 1951 from 26.1, 5 February 1952; 1955 Plan from 26.5, 1 February 1954.

Knitwear : The 1955 target under the Five-year Plan was to be achieved by 1954 (26.2, 24 January 1954). (The revised Plan was given in 26.1, 28 October 1954.) The 1955 Plan was 90 per cent above 1950 and 1952 60 per cent above 1940 (26.2, 13 October 1952). This is consistent with a 1940 output only very slightly above 1937, if 1953 output for underwear was 120 and outer wear 13 per cent, respectively, over 1940 (26.1, 28 October 1953).

Stockings and socks : 1940 from 26.22, No. 11, 1947. The increase between the first nine months of 1953 and of 1954 was given as 53 million pairs by the Deputy Minister of Manufactured Goods in a talk on Moscow Radio, 12 November 1954, and as 10.3 per cent in 26.22, No. 11, 1954, whence 1953 output for nine months, which is consistent with an increase of 50 million pairs to attain the 1954 Plan (speech by the President of the Trade Union of Workers in the Manufactured Consumer Goods Industry partly reproduced in 26.3, 18 April 1954, and partly on Moscow Radio). The 1952 Plan was 55 million pairs above 1951 (26.1, 5 February 1952) which, assumed fulfilled, and given the 1953 and 1951 increases over previous years (Plan results), leads to the 1950 output. Nylon (*kapron*) and natural-silk hosiery plan from 26.2, 24 January 1954.

Ready-made clothing : Values are in 1952 prices. Planned output of the Ministry in 1953 was twice that of 1940 (26.2, 7 August 1953) and 1953 planned output was 25 billion roubles (26.2, 15 November 1953). 1953 Plan output of the Ministry was 7 billions more than 1950 (26.2, 15 November 1953) and actual output 6 billions over 1950 (26.5, 1 February 1954). The plan for total output for 1953 has therefore been reduced by one billion in order to obtain actual output.

Leather footwear : 1955 output is to be 55 million pairs greater than 1953 (26.10, 4 February 1954).

Gross value of food processing : 1951 was "30 to 40" per cent above 1940 (26.10, 3 January 1952). 1951 over 1950 was derived from statements that 1952 was 27 per cent above 1950, that the 1951-52 output exceeded the plan by 11 billion roubles (26.2, 16 July 1953), that the 1951 and 1952 planned outputs were over-fulfilled by 7 and 3 per cent respectively and that sales were respectively 15 and 10 per cent above the preceding year (Plan results.) Thus, the actual increase was approximately the same as the increase in sales. 1953 output was 12 per cent above 1952 according to a Tass despatch of 1 January 1954. The 1953 Plan is 70 per cent above 1950, since 70 per cent is the increase given for both light industry alone and the light and food industries together (26.1, 12 October 1952).

Fish catch : The 1956 Plan is 1.5 times 1952 (26.24, No. 9, 1953); 1953 was 72 per cent over 1940 (26.2, 30 March 1954) and during the previous two years the catch had not risen (26.2, 8 August 1953).

Milk : The 1954 Plan for milk and cheese output was 100,000 tons above the 1953 level (26.11, No. 1, 1954) whence milk was 80,000, since the cheese increase is 20,000 tons.

Macaroni products : The 1953 Plan was 2.1 times 1940 (26.2, 8 August 1953).

Tinned foods : 26.1, 30 October 1953, except for fish in 1940, which is from 26.8, No. 4, 1952 and in 1953, from 26.2, 30 March 1954. Children's foods in 1950 were obtained by difference; 1953 output was assumed to be slightly higher, and the increases for 1954 and 1955 were available from 26.1, 30 October 1953. The 1955 Plan total for tinned foods includes this estimate for children's foods.

Vodka : Output reached the pre-war level in 1953 (26.2, 27 April 1954).

PLANNED AND ACTUAL OUTPUT IN CZECHOSLOVAKIA (Table 27)

The sources used were: 5.13, No. 11, 1949 and No. 59, 1938; 5.6, Nos. 19-20 and 28-29, 1948; 5.16; 5.1, 27 February 1951 (speech of the Minister of Planning); 5.1, 11 April 1951 (Government decision concerning the increase of the Five-year Plan target), 15 April 1954, 12-17 June 1954, 15 August 1954 and 2 September 1954; 5.15, 2 February 1954.

PLANNED AND ACTUAL OUTPUT IN HUNGARY (Table 28)

Apart from figures given in Table LIX, the text of the laws on the Five-year Plan in its 1949 and 1951 versions were used, as well as the 1953 revision and 12.1, 23 January and 25 May 1954, and 12.6, No. 1, 1954 (page 42).

INDUSTRIAL PRODUCTION IN EASTERN EUROPEAN COUNTRIES (Tables LV-LXI)

The notes below concern revisions for 1953 and production in 1954. For earlier years, see the SURVEY for 1953, pages 294-5.

Albania (Table LV)

1.2, 3 April 1953, Radio Tirana, 4 June 1952, 4 February 1953, 13 February 1954, and 4 June 1952. Other sources used were the Five-year Plan, reported in 1.2 of 3 June 1952, Plan fulfilment reports, and 1.1, 15 June 1954.

Bulgaria (Table LVI)

The sources used were 4.1, 30 April 1953, and annual Plan results.

Czechoslovakia (Table LVII)

The sources used were 5.1, 15 April 1954, 12-17 June 1954, 15 August 1954, 18 and 24-28 November 1954, and 17 December 1954, as well as 5.26, Nos. 1-11, 1954.

Eastern Germany (Table LVIII)

Besides Plan fulfilment reports, the sources used were: 9.1, 17 December 1953, 21 February 1954, 1 and 2 April 1954, 15 September 1954, 7 and 8 October 1954; 9.6, No. 10, 1953, No. 3 and No. 5, 1954; speech by the Minister of Heavy Industry on 24 September 1953 reported in 9.7, Nos. 3 and 4, 1954; 9.3, 5 December 1953 (pages 1260-2); 5.1, 7 October 1954; 18.4, No. 3, 1954 (page 111); 9.4, No. 1, 1954; 9.2, 13 February 1954 (page 1); 9.10 (pages 219-225); 9.2, No. 50, 1953 (*Beilage*).

Hungary (Table LIX)

Apart from the sources quoted in the SURVEY for 1953 and plan fulfilment reports, the following have been used :

Electric power, pig-iron and crude steel : a new series in absolute figures was published in 12.5, No. 6-7, 1954 (page 510).

Rolled steel, aluminium, cotton cloth and sugar : 1949 is from 12.1, 25 May 1954, supplemented by 12.1, 5 June, 30 November and 16 December 1952 for aluminium.

Nitrogenous and phosphorous fertilizer : 12.3, No. 1, 1954 (page 8); for phosphorous fertilizer, 12.13 was used for 1938, since the small-scale enterprises are included.

Tractors : 1952 is given in 12.6, No. 10, 1954 (page 34).

Railway wagons : data were derived from 12.14.

Motor-cycles, bicycles and wireless sets : the total output during the four years 1950-1953 inclusive was given in 12.5, No. 6-7, 1954 (page 512). By use of information given in plan fulfilment reports the output for each year could thus be reconstructed.

Cotton cloth and woollen cloth : 1951 and 1952 have been revised by the use of the indices in 12.5, No. 12, 1954 (page 34).

Coal (total), bauxite and aluminium : 1954 is derived from 12.1, 6 January 1955 for coal and 15 January for aluminium and bauxite.

Poland (Table LX)

Apart from the Plans and Plan fulfilment reports, the sources used were 18.7, No. 12, 1954; 18.1, 11 and 20 March 1954 and 6 February 1954; 9.6, April 1954, 18.7, No. 6, 1951; 18.2, Nos. 291, 312, 314 and 322, 26.25, July 1954; 18.4, No. 19, 1954.

Rumania (Table LXI)

The 1953 figures were either derived from the percentage increases given in the Plan fulfilment report for 1953, or directly taken from 20.1, 23 August 1954. There was a discrepancy in the figures for coal, the latter source probably including peat. Textile fabrics in square metres were obtained by applying index numbers given in 20.4, No. 1, 1951 (page 56) to the figures of the Five-year Plan in 20.6, 16 December 1950 (pages 1225-1239), and for later years were derived from Plan fulfilment reports and 20.1, 23 August 1953. The same procedure was used for leather footwear. For sugar-beet the pre-war figure has been adjusted to present territory (20.5, 1 April 1948, page 12); the figure for 1950 was derived from the Five-year Plan (20.6, 16 December 1950) and linked to percentage increases in Plan fulfilment reports.

4. RESOURCES, AREA, OUTPUT AND YIELDS IN AGRICULTURE (Tables 26, 32, 37, 39, LIII, and LXII-LXV)

PLANS FOR EXPANSION OF COTTON OUTPUT IN THE SOVIET UNION (Table 37)

Uzbekistan : 26.1, 12 February 1954 (original Plans) and 18 November 1954 (revised Plans). 1953 was 600,000 hectares below the 1958 revised Plan of 1.6 million hectares (26.1, 18 November 1954).

Turkmenia : 26.1, 23 April 1954 except for 1953. 26.2, of 20 December 1954 stated that the 1958 targets represented a doubling of the 1953 gross crop and an increase of 60,000 hectares in sown area.

Tadzhikistan : Plans from 26.1, 6 June 1954, which, however, gave no indication of 1953 results beyond saying that 1953 output was 124 per cent over pre-war (the pre-war output was approximately 160,000 tons). The 1953 yield was 10.6 quintals over pre-war (26.1, 7 December 1954) and the 1955 Five-year Plan target (26-27 quintals per hectare) was reached in 1952 (26.2, 22 November 1952). A yield of 26 quintals per hectare in 1953 was assumed, implying 15.4 quintals in 1940 (which is in accordance with other indications for that year). Tadzik yields, moreover, are the highest in the U.S.S.R. (26.2, 22 November 1954).

Azerbaidzhan : The 1953 crop was twice that of 1940 (26.14, No. 11, 1954) and 1960, given as 588,000 tons, was planned to be almost four times 1940 (*ibid.*). The 1940 yield was 8.3 quintals per hectare, according to 26.2, 4 November 1954, and 1950 was almost 2½ times that of 1940 (26.33, page 33). The 1953 yield has therefore been assumed to be 2½ times that of 1940. 1955 planned yield from 26.14, No. 12, 1954, and 1955 crop and all data for 1960 plan from 26.14, No. 11, 1954.

Other areas : The estimates were based on the data for individual areas given in the following table :

1953	Kazakhstan	Kirgizia	Armenia	Ukraine and Kuban
Crop (thousands of tons)	315	143	50	180
Yield (quintals per ha.)	21	18	20	9
Area (thousands of ha.)	150	75	25	200
1955				
Crop (thousands of tons)	500	200	69	240
Yield (quintals per ha.)	25	20	23	12
Area (thousands of ha.)	180	90	30	200

1950 planned sown areas were used as the basis for distributing the 1953 areas, since their aggregate was little smaller than the difference between the total U.S.S.R. area (given by the Soviet representative at the third session of the ECE Agricultural Committee, 22 June 1954) and the sum of the four Republics separately shown above. 1953 yields were worked backwards from the expected 1955 yields given for Kazakhstan, Kirgizia and Armenia in 26.14, No. 12, 1954, and for the Ukraine and Kuban in 26.1, 12 October 1952. The 1955 areas given above were estimated.

OUTPUT AND DELIVERIES TO THE STATE OF AGRICULTURAL PRODUCE IN THE SOVIET UNION (Table 39)

Except where otherwise stated below, the figures are from Table XLII of the SURVEY for 1953.

Meat : 1953 revised figure deduced from a 13 per cent increase over 1952 (26.2, 21 March 1954); *milk, eggs, meat and wool* : 1950 from increases between 1950 and 1954 (Plan) in 26.12, No. 9, 1954, page 29; *eggs and wool* : 1952 from 26.12, No. 9, 1954; *grain* : 1953 from a statement in 26.1, 31 January 1954, that " the actual harvest of grain crops in 1953 was close to that of 1952 "; 1954 deliveries: 26.1, 10 November 1954 and 21 January 1955.

HARVEST RESULTS IN EASTERN EUROPE (Table 26)

All the data shown in the table relate, so far as is known, to barn yields. (For a discussion of biological and barn yields, see the SURVEY for 1951, pages 222-4.)

Bulgaria : 4.4, 18 January 1949, 4.3, No. 10, 1948, 4.1, 30 April 1953 and 4.9.

Czechoslovakia : 5.21, 5.23 (page 45), 5.1, 31 January 1954 and 15 April 1954, and 5.4, No. 5, 1954 (page 195).

Eastern Germany : For 1934-1938 and 1952 see the SURVEY for 1953, page 297. 1953 was derived from yield variations given in 9.7, No. 5, 1954, assuming areas unchanged. 1954 was derived from the Plan fulfilment report for the third quarter.

Hungary : For 1934-38, 1952 and 1953 see the SURVEY for 1953, page 297. The bread-grain area in relation to 1953 is given in 12.1, 29 August 1954, and yields in relation to the plan in 12.1, 22 September 1954.

The 1954 maize yield is stated in the Plan fulfilment report to be about the same as the previous year and the area above the planned level (12.1, 10 October 1954). Area and yields of potatoes in 1953 and 1954 were derived from 12.1, 21 and 23 October 1954.

The sugar-beet area was assumed to be unchanged and the yield was 32 per cent above the 1948-1953 average, according to 12.1 of 10 October 1954.

Poland : 18.16 (page 62), 18.14 (pages 166 and 168), and 18.7, No. 7 (page 67) and No. 8 (page 6), 1954. Bread grain in 1953 and all data for 1954 have been estimated from statements in plan fulfilment reports and other official sources.

Rumania : 1935-39: 20.5, 1 April 1948 (page 14). The grain harvest in 1952 and 1953 has been estimated on the basis of the 1949-53 average, given in 20.1, 23 August 1954, and indicators of the variations of yields in several regions. The 1954 maize area was given in 20.1, 27 December 1954, which also gave a general statement on the grain harvest. Sugar-beet production was estimated from sugar production.

SOWN AREAS AND SOWING PLANS IN EASTERN EUROPE (Table LXIII)

The break-down used is that most commonly now employed in eastern Europe : technical crops include sugar-beet, textile plants, tobacco and oleaginous crops; vegetables also include pulses; fodder crops include all cultivated fodder, with the exception of grain. The total area referred to is not always clearly either arable or sown area; recent information announced has not been precise on this point.

Albania : 5.24, No. 4, 1953 (page 399) and 1.1, 26 May 1954 and 30 June 1954.

Bulgaria : 4.1, 3 February 1954 and 9 September 1953, 4.7, 4.9, 4.1, 30 April 1953; 4.4, 1 January 1949, 4.6 and 4.8.

Czechoslovakia : 5.13, No. 38, 1939 and Nos. 1-3, 1949; 5.7, 17 April 1954; 5.4, No. 9, 1954; 5.1, 2 September 1954 and 17 June 1954; 5.21. The figures for sown area in 1953 were derived from 5.17, which gives absolute figures and percentage shares for co-operative farms. The figures agree with an official statement (5.1, 14 June 1954) that sown area decreased in comparison with pre-war by more than 500,000 hectares. For 1954 it was stated in 5.4, No. 9, 1954 (page 331), that there was a further decrease of 80,000 hectares.

Hungary : 1934-1938 and 1948 : 12.10 (pages 170-171), 12.3, No. 3, 1949 (page 292) and No. 1, 1950 (page 15).

1953 and 1954 : Besides the SURVEY for 1953, the sources used were 12.3, No. 2, 1954, page 19 (for technical crops); 12.1, 21 July and 29 August 1954 (for bread grain); 12.1, 21 October 1954 (for potatoes); and 12.5, No. 12, 1954, page 961 (for coarse grain and fodder). Total 1954 area has been derived from this last source, which gives the percentage area under maize, and from 12.1, 10 October 1954, which gives actual maize area. 1953 total area was derived from the known changes in area between 1953 and 1954 of the various crops.

Poland : 1934-1938: 18.3; 1949: 18.16 (page 289); 1954: 18.7, No. 7, 1954 (page 67) and 18.13, I-II, 1954 (page 76). Total area is from 18.14, except for the 1955 Plan (18.1, 11 March 1954).

Rumania : 1935-1939: 20.5 (page 14); 1949 and 1952: 20.4, No. 11, 1954 (page 81); 1956: Plan: 20.2, 31 December 1953 and 27 August 1954. Total area for 1952 was estimated from information in 20.2, 14 September 1954.

LIVESTOCK NUMBERS AND PLANS IN EASTERN EUROPE (Table LXII)

Albania : 1.2, 29 January and 3 April 1953.

Bulgaria : 4.1, 30 April 1953, 9 March, 9 April and 10 April 1954; 4.4, 18 January 1949.

Czechoslovakia : 5.22 (page 106), 5.13, Nos. 1-3, 1949 (page 17), 5.7, 17 April 1954, 5.1, 2 September 1954; 5.2, No. 18, 1954.

It has been assumed that the percentage increases given for 1953 in the above sources referred to the July 1948 base figures given in 5.16.

Eastern Germany : 1936, 10.17 (pages 196-197); 9.7, No. 10, 1952, No. 10, 1953, No. 5, 1954; 1950: 9.3, 15 June 1950, 27 July 1950 and 2 November 1951, 9.1, 5 March 1952, 21 February 1952, 14 February 1954 and 15 September 1954, 9.2, 1 November 1951 and 26 January 1954; 1953: 9.7, No. 5, 1954 and Plan fulfilment reports; 1954: 9.8, No. 10, 1954 (page 937); 1955: 9.10 and 9.1, 15 September 1954.

Hungary : 1938: 12.11 (page 29); 1948: 12.10 (page 44); 12.5, Nos. 1-6, 1948 (pages 20-37); 12.3, No. 5, 1948 (page 251), No. 10, 1948 (page 632), No. 1, 1949 (page 31); 1953: 12.1, 30 December 1953; 1954: 12.5, No. 12, 1954 (page 954); 1956 (plan): 12.1, 23 December 1953.

Poland : 1953: 12.8, No. A-4, 1954. For earlier years, see the SURVEY for 1953, pages 70 and 297.

Rumania : 1938: 20.4, No. 3, 1948 (page 29). Figures for other years were either directly taken from 20.2, 31 December 1953, or derived therefrom by applying index numbers given in 20.4, No. 4, 1954 (page 32).

CO-OPERATIVE FARMS IN EASTERN EUROPE (Table 32)

Czechoslovakia : 5.17; 5.4, No. 5, 1954; 5.26, Nos. 1 and 9-10, 1953 and 1, 1954; 5.1, 15 April and 14 November 1954; 5.2, 2 January 1954.

Eastern Germany : Plan fulfilment reports and 9.1, 14 December 1954 and 1 January 1955.

Hungary : 12.3, No. 2, 1953 (page 7); 12.5, No. 4, 1953 (page 263); 12.1, 27 April and 30 December 1953 and 25 May 1954; 12.6, No. 4, 1954 (page 21).

Poland : 18.14 (pages 189 and 195); 18.13, third quarter 1953 (page 46); 18.1, 24 September 1954.

Rumania : Plan fulfilment reports and 20.1, 23 August 1953.

STOCKS OF FARM MACHINERY IN EASTERN EUROPE (Tables LIII and LXIV)

Albania : 1950 figures are from 9.3, 28 November 1952 and are quoted in 5.24, No. 1, 1953 (page 126); 1953 is from 1.1, 6 January 1954.

Bulgaria : The total stock is from 9.3, No. 14, 1953, quoted in 5.24, No. 4, 1953 (page 481), except for 1950, which is from 4.2, 8 June 1951 (page 4). Various figures for tractors and combines for 1952 are given in 4.1, 30 April 1953. Tractor and combine figures for 1953 and mid-1954 are from Plan fulfilment reports. Total tractor ploughs and threshers for 1948 and 1953 are from 4.9 and MTS figures for 1952 from 4.1, 5 October 1953. MTS tractors in 1949 are from 5.24, No. 9, 1950 and 1950 to 1953 from 4.10, No. 36, 1953 (page 15).

Czechoslovakia : MTS data are from 5.26, Nos. 1 and 6, 1954 (page 360). The total stock is from 5.1, 15 April 1954, 5.17, and 5.4, No. 5, 1954.

Eastern Germany : All 1949 figures are from 9.1, 7 October 1953 and all 1950 figures from 9.3, 2 November 1951. Subsequent years for tractors, tractor ploughs, binders and combines are from 9.8, July 1954 (page 659). All other figures for 1951 and 1952 are from 9.7, October 1953, and for 1953 from 9.9, 23 February 1954. Tractor seeders for 1954 are taken from 9.7, May 1954 (*Karteiblatt*).

Hungary : 12.4, Nos. 1-2, 1952 (page 109); 12.6, Nos. 4-5, 1953 (page 366), and No. 10, 1954 (page 73); 12.3, No. 1, 1954 (page 6). All MTS data are from 12.6, No. 10, 1954 (page 73). Mid-1954 reeper binders and combines are from 12.1, 21 June 1954 and 12.9, 27 June 1954.

Poland : The total stock is from 18.14 and the mid-1954 figure for MTS tractors from 18.1, 30 September 1954. 1953 and mid-1954 MTS sowing-machines and threshers are from 18.1, 24 September 1954 and 5.4, No. 4, 1954.

Rumania : Total stock figures for 1953 and mid-1954 are from Plan fulfilment reports. 1948 (early 1949) tractor figures (both total and MTS) are from 9.7 and 20.2, 28 September 1954, which also gives the mid-1954 figure. The 1949 and 1950 figures are from 20.3, 13 January 1951, the mid-1951 figures (also for threshers) from 26.7, No. 3, 1951, and the 1952 figure from 20.3, 30 December 1952. MTS reaper-binders, ploughs and sowing-machines for 1953 are from 20.1, 23 August 1953.

FERTILIZER SUPPLIES (Table LXV)

Czechoslovakia : 5.7, 17 September 1953 and 5.1, 15 August and 2 September 1954.

Eastern Germany : 9.1, 24 November 1954 and 9.3, 2 November 1951.

Hungary : Total gross supplies are from 12.7 (page 15); 12.4, No. 3, 1954 (page 238); 12.1, 30 December 1953 and 10 July 1954 and 12.6, No. 3, 1954 (page 39). The data were converted to a net basis by using the conventional ratios (17 per cent and 20 per cent). It was assumed that the whole of the domestic production of nitrogenous and phosphorous fertilizers (as given in 12.3, No. 1, 1954, page 8) was consumed at home, and that practically all imports were of potassic fertilizers.

Poland : 18.14 (page 156), 18.7, No. 9, 1954 (page 63).

III. POPULATION, MANPOWER AND EMPLOYMENT (Tables 24, 33, 79, and IX-XIV)

RATES OF CHANGE OF EMPLOYMENT IN INDUSTRY AND AGRICULTURE, 1929 TO 1953 (Table 79)

The sources used and adjustments made for industry were as follows :

France : Data obtained from 8.7 have been adjusted to give employment in March 1930, by use of information published by the Ministère du Travail, and, in the case of mining, the appropriate issues of 8.11.

Western Germany : Changes in employment in the whole of Germany from 1929 to 1938 are published annually up to the 1940/41 issue of 10.16. Employment in western Germany in 1938, taken from 10.9, has been adjusted by means of these annual changes for all pre-war Germany to give an estimate of 1929 employment in western Germany. Data for 1953 have also been taken from this latter source.

Sweden : 23.5, 1929, 1946 and 1952, and 23.2, February 1953 and March 1954. The less extensive data published for 1952 and 1953 in the latter source have been linked to the more complete data for 1952 obtained from the first source.

United Kingdom : Employment in 1931 has been obtained from the population census results of that year published in 27.22. These figures have been related to June 1929 by means of employment data published in 27.4, which has also been used for 1953.

* * *

All information on employment of males in agriculture has been taken from the appropriate national censuses of population.

POPULATION MOVEMENTS IN THE SOVIET UNION (Table 33)

Birth rates : The estimate for 1927 is based on regional statistics in 26.28 adjusted for the change from 1926 to 1927 in the European part of the Soviet Union, as given in 26.29; 1938 is from 26.2, 27 June 1939 and 1953 estimated from the death rate and average annual natural increase, given in *ibid.*, 6 October 1952.

Death rates : 1927 and 1953 from 26.1, 27 April 1954; 1938 from the ratio of birth to death rates given in 26.9, No. 6, 1939 (page 14); 1940 from 26.2, 19 October 1954 (the 1953 rate was 51 per cent below 1940).

Population : Table 15 of the SURVEY for 1952 and 26.1, 13 January 1954 (708 electoral districts with a population of 300,000 per district).

Urban population : 1926 and 1938 from 26.35; 1940 and 1953 from 26.2, 9 August 1953 (adjusted to end of year).

Infantile mortality : 1927 and 1940 estimated from 26.30; 1953 was over one third 1940 (26.2, 24 August 1954.)

NON-AGRICULTURAL EMPLOYMENT IN EASTERN EUROPE (Table 24)

Bulgaria : 4.9, 4.1, 26 February 1954, and Plan results.

The total employment figures for 1948 and 1953 were given and the number of persons employed outside agriculture was obtained by deduction of the estimated number of workers in State farms and machine-tractor stations.

Czechoslovakia : 5.13, Nos. 1-3 and 15-17, 1949; 5.18 (page 120); 5.9, No. 5, 1949; 5.26, No. 7, 1950 (page 433); 34.1, May 1954 (page 494); 5.12, No. 6, 1954; 5.1, 17 March, 15 April, 12-17 June, 16 September and 18 November 1954; 5.4, Nos. 2-3 and No. 10, 1954.

1948 figures were given in absolute terms. 1953 has been derived from percentage increases based on 1948, given in the sources mentioned.

Hungary : 1948 : The number of mining and manufacturing workers, both in relation to 1930 and as a percentage of all gainfully-occupied persons, is taken from 12.5, No. 6, 1951 (pages 531-532).

Employment in handicrafts, and manual workers in building and construction, as well as the number of employers and self-employed persons was taken from 12.3, No. 3, 1949 (page 159), No. 7, 1949 (pages 322 and 328).

1953 : The number of manual workers in mining, manufacturing, building and construction was derived from the end-1949 figures (in turn derived from the 1949 Plan fulfilment report) by applying percentage increases given in 12.6, Nos. 8-9, 1954 (page 53).

The number of manual workers in handicrafts was derived from the 1948 figures by use of a series of indices derived from 12.12.

For non-manual workers an estimate was made by using the percentage ratio of manual to non-manual workers given in 12.1, 21 September 1954.

The number of self-employed persons in mining and manufacturing has been derived from 12.1, 29 August 1954, which gave June 1953. This has been increased on the basis of an indication in 12.6, Nos. 8-9, 1954 (pages 52-78).

Poland : Plan fulfilment reports and 30.7. Employment in handicrafts in 1953 has been estimated.

Rumania : The figures have been derived from the official series in the Five-year Plan and plan fulfilment reports giving the "total number of wage-earners in the socialized sector". For 1948 this figure (about 1.3 millions) has been increased by the number of privately employed. From a total of 2.9 millions for 1953, estimated employment in State farms and machine-tractor stations (300,000) has been deducted, while the remaining private employment (about 100,000 in handicrafts and trade) has been added.

INDEX NUMBERS OF EMPLOYMENT (Tables IX-XIV)

The following revisions have been made since the *Economic Bulletin for Europe*, Vol. 6, No. 3 :

Belgium : Revisions consequent upon the receipt of the more complete social security data for December 1953, which have been used as benchmarks for the less extensive monthly figures.

Denmark : Official revisions following the results of the industrial census for 1953.

IV. REGIONAL DIFFERENCES IN FRANCE AND OTHER COUNTRIES (Tables 70, 73, 74 and 86 and Chart 13)

With the exceptions noted below concerning Table 73, the regions referred to in tables 70, 73 and 74 are defined as follows :

Finland

North : Oulu and Lappi.

Helsinki Region : Uusimaa.

France

Massif Central : Ardèche, Haute-Loire, Lozère, Aveyron, Lot and Cantal.

Bretagne : Côtes-du-Nord, Finistère, Morbihan and Ille-et-Vilaine.

South-West : Charente, Charente-Maritime, Corrèze, Creuse, Deux-Sèvres, Dordogne, Indre, Vendée, Vienne, Haute-Vienne, Ariège, Aude, Garonne, Gers, Gironde, Landes, Lot-et-Garonne, Basses-Pyrénées, Hautes-Pyrénées, Pyrénées-Orientales, Tarn, Tarn-et-Garonne, Allier, Cher, Indre-et-Loire, Loir-et-Cher, Loire-Inférieure, Maine-et-Loire and Puy-de-Dôme.

North-East : Nord, Pas-de-Calais, Somme, Seine-Inférieure, Eure, Eure-et-Loir, Loiret, Yonne, Aube, Seine-et-Marne, Marne, Ardennes, Aisne and Oise.

Paris Region : Seine and Seine-et-Oise.

Ireland

North : Donegal and Leitrim.

West : Galway, Mayo and Sligo.

South-West : Clare and Kerry.

South : Cork and Waterford County Boroughs and Counties.
Dublin Region: Dublin County Borough and County.

Italy

Southern Mainland : Abruzzi e Molise, Campania, Puglia, Basilicata and Calabria.

Norway

North : Nordland, Troms and Finmark.
West Coast : Sogn og Fjordane and Møre og Romsdal.
South East : Østfold and Vestfold.
Oslo Region : Akershus and Oslo.

Portugal

South : Faro, Beja, Evora and Portalegre.
East : Viseu, Guarda and Castelo Branco.
North : Braga, Viano do Castelo, Vila Real and Bragança.

Spain

West Centre : Avila, Badajoz and Cáceres.
Galicia : La Coruña, Lugo, Orense and Pontevedra.
Andalucia : Almeria, Cádiz, Córdoba, Granada, Huelva, Jaén, Málaga and Sevilla.
Cataluña : Barcelona, Gerona, Lérida and Tarragona.

Sweden

North : Västerbotten and Norrbotten.
South-East : Kronoberg, Kalmar and Blekinge.
Central : Uppsala, Södermanland, Östergötland, Jönköping, Älvsborg, Värmland, Örebro, Västmanland and Kopparberg.
Stockholm Region : Stockholm town and county.

Switzerland

Centre : Obwalden, Uri and Schwyz.

Turkey

South-East : Hakâri, Van, Agri, Bitlis, Mus, Bingöl, Siirt and Mardin.
North-East : Çoruh, Rize, Trabzon and Giresun.
East Centre : Diyarbakir, Elazig, Tunceli, Urfa and Erzincan.

United Kingdom

Wales : Wales and Monmouthshire.
North-Western : Standard Region (Cheshire, Lancashire and a small part of Derbyshire). The 1931 figures for active population used for comparison with pre-war cover the region N 4 (Cheshire and Lancashire) only.
London Region : Greater London Conurbation used for population censuses. In Table 70 the 1949 figure for net output of industry per person employed relates to London and the South-eastern Standard Region, while the 1935 figure with which it is compared refers to the Greater London Region of the 1935 Census of Production. The percentage rates of unemployment refer to London and the South-eastern Standard Region.

Yugoslavia

The 1931 literacy rate figures used in Table 70 for comparison with post-war refer to Zetska Banovina instead of Crna Gora, to Vardarska Banovina instead of Makedonija, to Drinska and Vrbaska Banovinas instead of Bosna and Herzegovina, to Primorska and Savska Banovinas instead of Hrvatska and to Dravska Banovina instead of Slovenija.

* * *

Regions that do not result from a re-grouping of original data are not shown above.

INDICATORS OF REGIONAL DISPARITIES (Table 70)

The sources used were:

Total Population

Austria: 2.3, 1952 and 2.5; Finland: 7.5, 1939 and 1953; France: 8.8 and 8.10; western Germany: 10.16, 1954; Ireland: 13.2, 1939 and 1953; Italy: 14.10, 1953; Norway: 17.4, 1953; Portugal: 19.2 and 19.4; Spain: 22.2, 1953; Sweden: 23.6, 1941 and 1951; Switzerland: 24.5, 1938 and 1952; Turkey: 25.4 and 25.7; United Kingdom: 27.3; Yugoslavia: 29.4.

Active Population

The three series shown in the table are derived from data on the economically active population classified by industry. In addition to the sources mentioned above for Finland, Portugal and Turkey, the following were used: *Austria*: 2.1 and 2.5 (agriculture includes farmers' wives); *France*: 8.8 and 8.9; *western Germany*: 10.14 and 10.17; *Ireland*: 13.4 and 13.5 (Vol. VII); *Italy*: 14.2, 1953 (page 687); *Norway*: 17.5 and 17.6; *Spain*: 22.2, 1946-47 (Vol. I), 22.4, 22.5, and 22.3; *Sweden*: 23.6, 1946 and 1954; *Switzerland*: 24.5, 1939 and 1953; *United Kingdom*: 27.13 (Part I), 27.15, 27.10, 27.14 and 27.19. (The 1951 figures exclude persons out of work); *Yugoslavia*: 29.2, December 1953. (Persons out of work have been excluded.)

The percentages for *Finland* are derived from data including dependants of the active population. In 1930 the total active population thus defined was 90 per cent, and in 1950 94 per cent of the total population. "Ouvriers et journaliers non classifiés" have been excluded from the active population in 1930. They represent between 3.5 per cent (in Mikkeli) and 6.4 per cent (in Hame) of the total population.

Production, Investment and Employment

Finland: 7.5, 1953, and 7.6; *western Germany*: 10.11, September 1954 (Teil II). The distribution of output by region has been derived from data on hours worked in industry, while 10.11, June and December 1953 and March 1954 gave regional indices of industrial production; *Ireland*: 13.2, 1953, and 13.3; *Norway*: 17.7, 1938 and 1952. For 1938, value added was not available by county and the difference between gross value and the value of raw materials consumed (*i.e.*, excluding fuel) has been used instead; *Sweden*: 23.10 and Åkerman, J.: "De svenska länens ekonomiska utveckling under mellankrigsperioden", in 23.4, March 1941.

United Kingdom: Net output of industry: 27.16 and 27.12. "Other trades (Orders XX (part) XXIV (part))" have been excluded from the 1949 figures since they are not included in 27.12. For Wales these orders have been estimated by assuming the same proportion as for total net output (5.3 per cent of England and Wales).

Percentage rates of unemployment: 27.20, August 1954. The comparison with pre-war shows the change in the absolute numbers of unemployed in each region.

Yields and Returns in Agriculture

Austria: 2.3, 1950, 1951, 1952 and 1953, and 2.5; *Finland*: 7.7. Both milk yields and net returns refer to the book-keeping farms only. Net return is the difference between gross return and operating expenses. The latter comprise purchases of supplies, general expenses, labour costs (including family and management labour) and miscellaneous expenditure; *France*: 8.4 and 8.5, December 1945; *western Germany*: 10.16, 1953 and 1954, and 10.17; *Ireland*: 13.2; *Italy*: 14.10, 1936, 1937, 1938, 1939 and 1952; *Norway*: 17.4, 1941 and 1951; *Portugal*: 19.1, 1938, 1939 and 1940, 19.5, 1950, 1951 and 1952; *Spain*: 22.2, 1934 and 1953; *Sweden*: 23.6, 1941, 1953 and 1954 (for the North region the 1951 figures have been used instead of 1952); *Turkey*: 25.5 and 25.6; *Yugoslavia*: 29.6 and 29.7.

Motor Vehicles and Radio Receivers

Ireland: 13.2, 1937 and 1953; *Italy*: 14.10, 1939 and 1953; *Portugal*: 19.1, 1938 and 1952 (total population for 1938 and 1952 has been estimated by interpolation); *Spain*: 22.2, 1934 and 1953; *Switzerland*: 24.5, 1939 and 1952; *Turkey*: 25.3, 1940 and 1952.

Literacy Rate

Portugal: 19.2 and 19.4; *Turkey*: 25.4 and 25.7; *Yugoslavia*: 29.3 and 29.5.

Income per Inhabitant

Italy: 14.4, 1954; *Sweden*: 23.10 (the figures exclude income of companies).

REGIONAL DISTRIBUTION OF INDUSTRIAL MANPOWER (Table 73)

The following regions are defined otherwise than in Table 70:

Italy:

Central: Toscana, Umbria, Marche and Lazio.

North: Piemonte, Valle d'Aosta, Lombardia, Trentino-Alto Adige, Veneto, Friuli-Venezia Giulia, Liguria and Emilia-Romagna.

Spain:

North coast: Vizcaya, Guipúzcoa and Santander.

Cataluña: Barcelona and Gerona.

United Kingdom:

East and West Ridings: Standard Region.

Midland: Standard Region.

The industrial classification is in principle that of the International Standard Industrial Classification of all Economic Activities. Certain exceptions and clarifications are given below :

I.S.I.C. Group	Industrial classification	Exceptions and clarifications
Group 1		
23 34 35-38, 391-394 31-32	Textiles Metals Engineering Chemicals	Excluding made-up textiles Including basic metal industries Including shipbuilding, electrical goods, vehicles, metal goods and precision instruments Including products of petroleum and coal, excluding rubber
Group 2		
243-244 20-21 25-26 27-28 33 4 1	Clothing Food Wood Paper and printing Building materials Construction Mining	Including made-up textile goods, excluding footwear Including beverages, excluding tobacco Including cork, furniture and fittings Including non-metallic mineral products, excluding products of petroleum and coal Including building and contracting Including quarrying
Group 3		
22, 241-242, 29, 30, 395-399 and 5	Other industry	Including tobacco, footwear, leather, rubber, jewellery, musical instruments, miscellaneous manufacturing and public utilities.

The sources used are the same as for Table 70, with the following exceptions:

Western Germany : 10.14. Other industry includes china.

Italy : 14.4 (Table 316). The data have been adjusted, on the basis of the more complete regional data given in Tables 20 and 21 in 14.12.

United Kingdom : Textiles include made-up textiles. Engineering includes jewellery and musical instruments.

REGIONAL CHARACTERISTICS OF AGRICULTURE IN FRANCE AND AGRICULTURAL PRODUCTION BY REGIONS IN 1950 (Table 86 and Chart 13)

Production

All production data for France given in value have been taken from 8.4, 1950. In certain cases regional figures were of incomplete coverage and have been adjusted so that their sum gives total French production. Thus, for meat and milk the regional values have been increased by 25.9 per cent and 11.3 per cent respectively. A further adjustment has been made to eliminate the consumption of fodder crops. The values of production of these crops have been reduced in proportion to the production of animal products, the national average ratio of consumption of fodder to output of animal products being applied to meat production in each region.

For the international comparison production data have been taken from 30.8 (page 8).

Active Males engaged in Agriculture

All data for France refer to 1946 and have been taken from 8.9, Vol. VII. Data for other countries have been taken from appropriate censuses of population.

Land Use

Information for France concerning 1912, 1948 and 1953, has been obtained from 8.16, 8.4, 1948, and 8.13 respectively. Data for other countries have been taken from 32.1.

All other statistics for France have been taken from 8.13 and for other countries from 32.1, except where information has been received directly from FAO.

STUDENTS IN TECHNICAL SCHOOLS BY REGIONS (Table 74)

Technical schools include professional, agricultural and commercial schools. They also include engineering schools and technical high schools, except in the United Kingdom and Norway.

The sources used were : *Austria* : 2.6, 1954; *Western Germany* : 10.16, 1954; *Italy* : 14.10, 1953; *Norway* : 17.8; *Portugal* : 19.3; *Spain* : 22.2, 1952; *United Kingdom* : 27.11, 27.17 and 27.18.

V. CONSUMPTION AND INVESTMENT (Tables 8, 13-15, 25, 35, 36 and XXI)

GROSS INVESTMENT IN EQUIPMENT IN INDUSTRY (Table 8)

- Austria* : Index of investment in equipment, machinery and vehicles published in 2.1, February 1954, and 2.7. The second quarter 1954 was given in 2.8. The series, which is derived from data on production and trade, includes passenger cars.
- Denmark* : 6.3. Total investment in machinery and equipment.
- Finland* : 7.8. Total fixed investment in manufacturing. Values in current prices were deflated by the implied price index for gross national product.
- France* : 8.13. The original figures give total availabilities of machinery and equipment, from which have been deducted government purchases. In the absence of a break-down of these purchases between equipment and construction, it has had to be assumed that they relate mainly to construction or to equipment for defence. To the extent that Government purchases of equipment for capital formation have consequently also been deducted, the resultant index numbers would reflect private investment only. Final figures in current prices have been deflated by a price index for all fixed investment (i.e., including construction), taken from 8.14 (page 122).
- Western Germany* : 10.2, September 1954. Total investment other than building and construction.
- Italy* : 14.7, May-June 1953. Total fixed investment in mining, electricity and manufacturing. The index for 1953 was derived from Barberi, "The Italian National Income", 14.6, July 1954. Values in current prices were deflated by the official price index for all investment goods.
- Netherlands* : 16.2, June 1954. Total fixed private investment in home-produced and imported metal products. Values in current prices were deflated by the implied price index given by total net fixed investment in current and constant prices in the same source.
- Norway* : 17.1. Total investment in machinery and transport equipment (excluding ships).
- Sweden* : 23.7 and 23.8. Total fixed investment in private manufacturing industry. For deflation, use was made of the implied price index given by total private investment (i.e., including construction) in current and constant prices.
- United Kingdom* : 27.9. Total investment in plant and machinery.

DISPOSABLE INCOME AND EXPENDITURE ON CONSUMER DURABLE GOODS (Table 13)

The sources and methods used were :

- France* : 8.13.
- Western Germany* : 10.2, July 1952 and September 1954, and 10.16, 1954.
- Netherlands* : Disposable income in current prices is taken from 16.1, second quarter, 1954. Income data were deflated to 1949 prices by use of the implied price index given by total private consumption in current and constant prices in 16.2, June 1954.
- Seasonally, adjusted expenditure on durable consumer goods up to mid-1953 was communicated by the Central Bureau of Statistics and the second half of 1953 was obtained by linking with quarterly indices of the volume of expenditure in 16.2.
- Sweden* : Disposable income was taken as total private consumers' expenditure (23.8), plus the savings of households (23.7). For 1953 savings were assumed to be the same proportion of total expenditure as in 1952. Figures in constant prices were obtained by use of the price index implied in indices of the value and volume of total private consumption given in 23.8 (page 175).
- United Kingdom* : 27.9.

SALES OF PASSENGER CARS, MOTOR-CYCLES AND SCOOTERS (Tables 14 and 15)

Data for France, western Germany, Italy and the United Kingdom are from Table XIX and the sources there used, and for Norway from national trade statistics. Sources for other countries are as follows :

- Austria* : 2.4.
- Denmark* : 6.1. Passenger vehicles for more than nine persons and cycles with auxiliary engines (though not side-cars) have been excluded.
- Ireland* : 13.1.
- Sweden* : 23.8 (page 79). The increase in purchases in the second half of 1953 over the second half of 1952 was estimated on the basis of new registrations given in 23.3. July-October 1954 was similarly estimated.

Switzerland : 24.1.

* * *

Except for motor-cycles in France, the park in 1950 is from 30.4. Population has been taken from 31.4. The French motor-cycle park in 1953 is given in 8.2, November 1953, as 2.5 millions. Allowing for sales in previous years and assuming a rate of scrapping of 5 per cent per year, this gives approximately 2.2 millions in 1950.

VOLUME OF CONSUMPTION (TABLE XXI)

Sweden : Since the issue of 30.3, Vol. 6, No. 3, a new cost-of-living index has become available, and has been used to deflate the current value of retail sales. The new index does not distinguish between clothing and shoes, and these two series of retail sales have therefore had to be combined.

SHARE OF CONSUMPTION IN NATIONAL INCOME IN EASTERN EUROPE (Table 25)

For data prior to 1953, see the SURVEY for 1953, page 304.

Czechoslovakia : 5.3, 1 January 1952; 5.1, 15 June and 26 November 1954; 5.4, No. 1, 1954; 5.7, 17 April 1954; plan fulfilment reports.

Hungary : 12.1, 13-22 December 1949, 1-10 December 1950, 15-20 December 1951, 15-21 December 1952; 12.6, No. 1, 1954 (page 41). Based on the proportions derived for 1953, half of social and cultural expenditure was considered to be for social consumption.

Poland : 18.1, 6 November 1954.

Rumania : Rough estimates based on the Resolution of the Central Committee of the Rumanian Workers' Party on 22 August 1953, as analysed in 9.6, No. 6, 1954 (pages 726-748). According to this source, the share of consumption should rise by 1953-55 to 72.2 per cent, and as a result of the increase in total national income the absolute rise in consumption would be 37 per cent. It was assumed that national income is planned to increase annually by 10 per cent. Collective consumption was computed from the budgets for 1953 and 1954.

THE PUBLIC ACCOUNTS OF THE SOVIET UNION (Table 35)

1951 Actual from 26.1, 7 March 1952; 26.9, No. 2, 1952 (page 24) and 26.13, No. 6, 1954 (pages 5-14); 1952 Actual and 1953 Budget from 26.1, 6 and 9 August 1953; 26.13, No. 6, 1954 (*loc. cit.*) and 26.2, 11 October 1952, for Social Security, which may be a Budget and not a provisional actual expenditure; 1953 Actual and 1954 Budget from 26.1, 22, 23 and 28 April 1954 and 26.13, No. 2, 1954, (page 72) and No. 6, 1954 (*loc. cit.*).

STATE INVESTMENT IN THE SOVIET UNION (Table 36)

The index numbers are taken from Plan Reports of the Soviet Central Statistical Administration and the value of investment from 26.2, 22, 23, 26 and 27 April 1954, and 26.13, No. 6, 1954. Heavy industry has been derived as a residual, after estimating the aggregate of other sectors. The ranges in 1951 and 1952 were based on increases in the unpublished sector varying from zero to 10 per cent, except for agriculture in 1952, where a decline of zero to 20 per cent below 1951 was assumed, since the plan fulfilment percentage was 72 (26.14, No. 1, 1953, page 8). The range in 1953 was given a lower limit of 10 per cent and an upper limit of 20 per cent for agriculture. The 30 per cent for other social capital in 1954 is the annual figure given in 26.1, 21 January 1955. An 8 per cent increase was assumed for transport in 1953.

VI. INTERNATIONAL TRADE (Tables 45, 47-49, 52, 58, 63, 64, 66-68, 88, XXIII, XXVI-XLIX and Chart 5)

1. THE FOREIGN TRADE OF EASTERN EUROPE AND THE SOVIET UNION (Tables 63, 64, and 66-68)

NETWORK OF WORLD TRADE BY MAJOR AREAS (Table 63)

The figures for trade within the eastern world market have been derived from Table 64, except that a small adjustment has been made so that imports on an f.o.b. basis conform with the figures for trade within the western world market. In the absence of adequate information, the distribution of turnover between imports and exports has had to be made on the assumption that intra-eastern trade is bilaterally balanced. Although this assumption is known to be not altogether accurate, it is not considered that it materially affects the figures. Total trade between the two world markets has also been taken from Table 64 and is derived from eastern sources—except in the case of mainland China—as explained below. Within this total, trade between western Europe and the eastern world market, as well as its distribution between exports and imports, is based on western European statistics, the trade between the eastern world market and overseas countries thus being obtained by difference. (Trade within the western world market has been taken from 31.1, August 1953 and August 1954.)

THE FOREIGN TRADE TURNOVER OF THE EASTERN WORLD MARKET (Table 64)

The figures for 1937 have all been taken from the national trade statistics of the countries constituting the present eastern world market. Estonia, Latvia and Lithuania have therefore been included with the Soviet Union in 1937, after deduction for trade among themselves and with the Soviet Union. The 1937 figures for eastern Germany (which do not include trade with western Germany) are estimates based on the zonal distribution of total German trade in 1936 shown in 9.7, December 1947 (in 1936, eastern Germany accounted for 24.9 per cent of total German imports and 26.3 per cent of total exports), it being assumed that the distribution of total trade held good for trade with individual countries.

Figures for 1948 are partly from published statistics and partly estimated. For subsequent years, the figures are, with few exceptions, derived from index numbers and percentages, as described below:

Soviet Union: Available official information on Soviet foreign trade in the selected post-war years (1948, 1952 and 1953)—that is, apart from the special tabulation on trade with selected western European countries in 1953 and 1954 given in Table L—is given in the table below. It should be noted that Soviet data permit estimates to be made only of the total trade turnover, together with its distribution between the two world markets. All post-war data on trade with individual eastern countries have been derived from the statistics of those countries.

Foreign Trade Statistics of the Soviet Union

	1937	1938	1948	1952	1953
Total turnover :					
Billions of current roubles ^a	2.3	2.1 ^b	10.2 ^{b,c}	20.9 ^d	23.0 ^d
Billions of constant roubles ^b	..	2.1	..	..	8.4
Share of turnover with the eastern world market in total trade turnover (per cent)	8 ^e	..	..	80 ^f	80 ^{d,g}
Turnover with the western world market (billions of current roubles ^a)	..	..	5.0 ^h	..	..

^a All rouble figures are expressed in 1950 roubles, which means that the 1948 and pre-war figures have been divided by 1.3266 to take into account the appreciation of the rouble in 1950.

^b Source: *Planovoe Khozyaistvo*, No. 4, 1954.

^c According to an index number for Soviet foreign trade of 225 in 1953 on a 1948 basis.

^d Source: Article by A. Chistyakov in *Kommunist*, No. 15, 1954.

^e This percentage is based on official Soviet trade statistics. To make it comparable with the post-war figures the foreign trade of Estonia, Latvia and Lithuania has been added (with deduction for trade between these countries and with the Soviet Union).

^f Source: *Vneshnyaya Torgovlya*, No. 1, 1953.

^g " More than 80 per cent of the Soviet Union's foreign trade is with the democratic countries."

^h Source: *International Economic Conference in Moscow, 3-12 April 1952, Moscow 1953* (page 64).

Eastern Germany: The varying treatment of trade with western Germany is a special problem. Although this trade is not, strictly speaking, international trade, it has been included in the table for reasons given in Chapter 5. The 1948 figures are derived from 9.7 (No. 3, 1949, page 42) and 10.13, No. 1, 1950 (page 26), which gives a total turnover of \$281 million; to this has been added an estimate for trade with western Germany. The value of trade with individual eastern-market countries in 1952 expressed in roubles, and given in 10.1, 29 May 1953, is quoted from a report by the East German Ministry of Foreign Trade. The officially announced percentage of the share of the eastern world market in total east-German trade in that year was applied to the rouble figure. The development of the total trade turnover between 1952 and 1953 was taken from 26.25 (No. 11, 1954) and with individual eastern-market countries from index numbers published in 5.8 (No. 10, 1954).

Czechoslovakia, Poland and Hungary: Official trade statistics for 1948 have been extrapolated to 1952 and 1953 by means of official index numbers of the trade turnover and percentage shares of eastern-market countries given in: 5.8 (No. 2, 1953, No. 11, 1954), 5.26 (No. 10, 1954), 12.1 (27 May 1954), 12.3 (No. 3, 1949 and No. 2, 1950), 12.4 (Nos. 7-8, 1953), 18.4 (No. 18, 1953 and No. 20, 1954), 26.25 (No. 11, 1953, No. 3, 1954, and No. 11, 1954).

Rumania: 18.5, No. 8, 1948, gives a total for exports and imports in 1947 of \$95 million. Applying the official turnover index (taken from 5.8, No. 2, 1953), a figure of \$245 million has been derived for 1948 and (from 26.25, No. 11, 1954) of \$568 million for 1952. By applying the official percentage for the share of western countries in total Rumanian trade to trade with the West, according to western statistics, approximately the same result (\$560 million) is derived for 1952 (10.12, Heft 2, 1954).

Bulgaria: The estimates for 1948 are based on the known trade in that year with Czechoslovakia, Hungary and Poland, as given in the trade statistics of those countries and the percentage distribution of Bulgarian trade in 1948 according to 5.8, No. 3, 1953. Index numbers of the trade turnover in 1952 and 1953 have been applied to the figure thus derived for 1948. The sources used are: 26.13 (No. 6, 1953), 26.25 (No. 11, 1953 and No. 11, 1954), 26.8 (No. 4, 1953), Moscow radio broadcast of 9 November 1954, 5.8 (No. 11, 1954).

Albania : The trade of Albania is taken into account only to the extent that its exports and imports are included in the trade data for other eastern countries.

China : "Other countries in the eastern world market" include Mongolia, North Korea and Albania, but by far the greatest contribution to the trade of that area is made by mainland China. The trade of this country is estimated by applying officially announced percentages quoted by 5.8 (No. 5, 1954) and 5.1 (10 November 1954) for the share of the western world in the total trade turnover to the trade with these countries according to their statistics. The resulting figures used for 1952 and 1953 are \$2,300 millions and \$2,900 millions.

For 1948, on the other hand, no separate estimate for the trade of China was made but the value of trade between the eastern world market and the group "Other countries in the eastern world market" is a residual, except in the case of those eastern European countries which published trade statistics for that year.

THE COMMODITY COMPOSITION OF THE TRADE OF EASTERN EUROPE AND THE SOVIET UNION (Table 66)

The sources used for post-war years (except for figures derived from Table 67) are the following:

Soviet Union : 26.8 (No. 15, 1954); *Eastern Germany* : A statement by the German Minister for Foreign Trade ;¹ *Czechoslovakia* : 5.4 (Nos. 2-3, 1954); *Poland* : 9.4 (11 August 1953, page 757); 26.25 (No. 7, 1954), and a Warsaw radio broadcast of 8 November 1954; *Hungary* : 12.1 (19 December 1952 and 27 May 1954) and 12.6 (No. 5, 1954, pages 90 and 91); *Rumania* : 5.8 (No. 11, 1954); *Bulgaria* : 26.25 (No. 10, 1952, page 22) and 29.1 (30 September 1954).

TRADE OF THE EASTERN WORLD MARKET IN MACHINERY AND EQUIPMENT (Table 67)

The main sources of a quantitative nature concerning trade within the eastern world market in 1953 are:

1. Table 66 gives officially announced data (as distinguished from the estimates marked by footnote reference ^b on the percentage share of machinery and equipment in the trade of Czechoslovakia (exports), Hungary (exports), Poland (exports and imports) and Bulgaria (imports in 1951). These percentages have been applied to half the total value of trade turnover as shown in Table 64.

2. The export figure for the Soviet Union is based on the Soviet sources cited in the notes beneath the table.

3. In the case of eastern Germany, it is reported that 81 per cent of total exports in 1953 consisted of manufactured goods of all kinds (see Table 66), this percentage here being adjusted downward to 63-72 per cent to exclude items other than machinery and equipment (the latter, however, predominating in its export structure), and it is further reported (9.3, No. 46, 1954, page 973) that 75 per cent of its exports to the Soviet Union alone consisted of machinery and electro-technical equipment, to which an additional 5 to 10 per cent may be added to allow for precision and optical instruments.

4. Finally, in the case of mainland China, imports of machinery and equipment are reported to have made up 51 per cent of its imports from eastern Europe, excluding the Soviet Union, in 1953 (26.25, No. 10, 1954, page 10), and its imports of capital equipment from the Soviet Union alone in 1953 are also reported to have been 65 per cent greater than was imported from capitalist countries before the war (A. Chistyakov, 26.8, No. 15, 1954, page 55). These two statements yield estimates of about \$100 million (current value) in each case, or a total of about \$200 million.

These quantitative indications directly permit the construction of the figures on exports within the eastern world market except for Rumania, which is estimated from an analysis of its trade agreements (within the upper limit of a figure of 18 per cent, representing the share of "industrial products" in its total exports, according to 5.8, No. 11, 1954). They also provide the import figures for Poland, Bulgaria and mainland China, as well as that part of the Soviet Union's imports of machinery and equipment supplied by eastern Germany in 1953 (which alone accounts for about one-half of the final estimate of total Soviet imports of these goods from the countries of the eastern world market). The distribution of the remainder of the imports (which, by definition, equal exports) has been made in accordance with an analysis of the commodity lists in bilateral trade agreements (Table LI), announcements concerning specific projects involving trade in machinery and equipment, and other available information of a more general nature about the economic and trade structure of the countries concerned.

PRODUCTION OF SELECTED RAW MATERIALS AND FOODSTUFFS IN EASTERN EUROPEAN COUNTRIES AND THE U.S.S.R. AND NET TRADE WITH THE TWO WORLD MARKETS (Table 68)

Production

The production figures for the period 1934-38, which refer to pre-war areas, are taken from 31.4; 36.1, 1942-44; 30.9 (for timber); the SURVEY for 1951 (page 185), for grain production in eastern Europe. For the Soviet harvests the sources are 26.27

¹ Quoted, *inter alia*, in *Informationen für die Presse*, Leipziger Messeamt, 7 September 1954.

(page 343) ; 26.34 (page 61) ; Table XLII, SURVEY for 1953 and data given in Chapter 3 of this SURVEY. The gross crop figures given in these sources have been put on a barn-yield basis. Production figures for 1951 to 1953 are taken from Table 17 of the SURVEY SINCE THE WAR and Tables LIV-LXI of the present SURVEY. It should, however, be noted that Soviet production of iron ore has been estimated as equal to pig-iron production plus the iron-ore import requirements from the Soviet Union of the eastern European countries.

In the comparison with pre-war, no allowance has been made for territorial changes. The pre-war figures for eastern Germany are estimates based on the zonal distribution of total German production in 1936, given in 9.7, December 1947.

Trade

The pre-war figures for timber, cotton and sugar are taken from 36.8, 1937 and 1938. Grain data are from 32.1 and iron ore, hard coal and petroleum from national trade statistics of the eastern European countries and of the Soviet Union. Soviet trade with the eastern European countries has been derived from the trade statistics of those countries. The estimates for the trade of the eastern zone of Germany have been taken from the same source as for production.

Post-war data for *trade between the two world markets* have been taken from national sources of the western countries, and from 30.2 and 30.10.

For grain, use has been made of 32.2, July 1952-June 1953 and July 1953-June 1954, supplemented by data recently supplied by the eastern European countries and the Soviet Union to the E.C.E. Committee on Agricultural Problems.

Post-war data on *trade within the eastern world market* have been derived from various facts and statements appearing in eastern European and Soviet publications, as explained below :

Iron-ore requirements have been estimated from the production of iron-ore and pig-iron on the assumption that no scrap is used for pig-iron production. From total import requirements the supplies from the western world market have been deducted, and the remainder presumed to have been supplied by the Soviet Union.

Trade in coal has been estimated from official trade statistics for 1948 and from available information thereafter.

Trade in petroleum refers only to Rumania, the exports from this country to other eastern European countries being estimated as 80 per cent of production, less exports to the western world. The trade figures for cotton are estimated from available information on mill consumption of raw cotton in eastern European countries less domestic production and less net imports from the West. It was assumed that the residual was supplied by the Soviet Union. The estimates in 36.9 were utilized as a check.

Intra-eastern trade in grain and sugar has been estimated from actual figures given in 5.1 (3 January 1952, 15 April and 17 November 1954), 5.3 (particularly No. 283, 1954), 5.8 (particularly No. 5, 1954, No. 7-8, 1954 and No. 11, 1954), 5.26 (No. 10, 1954) and 9.4 (No. 12, 1953, page 30). These data have been supplemented by an analysis of harvest results in the eastern European countries and figures given by the Soviet Union and eastern European countries at the meeting in October 1954 of the ECE/FAO Committee on Agricultural Problems. For sugar the data refer only to 1953.

2. THE FOREIGN TRADE OF WESTERN EUROPEAN COUNTRIES (Tables 45, 47-49, 52, 58, 88, XXIII, XXVI-XLIX and Chart 5)

THE TRADE OF NINETEEN WESTERN EUROPEAN COUNTRIES (Table 45)

Current values have been taken from Table XXX. Imports (originally given c.i.f.), have been converted to an estimated f.o.b. basis by a reduction of 5 per cent in imports from eastern Europe and 12.5 per cent in imports from overseas countries.

Unit value indices : Table XLVIII shows exports from nine western European countries (covering about 80 per cent of total exports from western Europe to outside areas) to western Europe and to other areas in 1950 prices. The ratio of the implied unit-value index of exports to areas outside western Europe from the nine countries to the total export unit-value index of those countries has been applied to the total export unit-value index of 16 western European countries given in Table XXVI. The resulting index has been taken to represent unit values of western Europe's exports to other areas. The difference between these last two indices determines the unit value for exports to western Europe (i.e., for intra-western European trade). As exports in intra-western European trade by definition equal imports, the unit-value index of exports to western Europe has been combined with the aggregate unit-value index for total imports of the sixteen countries. The result is used as an estimate of the unit values of imports of western Europe from outside areas.

Volume indices : The three unit-value indices described above have been applied to current values to obtain an estimate of volume changes.

THE TRADE OF NINETEEN WESTERN EUROPEAN COUNTRIES BY ORIGIN AND DESTINATION, IN CURRENT DOLLARS (Tables XXX and XXXI)

(a) General

The data have been taken from national trade statistics of European countries and of the United States, and no attempt has been made to adjust the figures except as mentioned below. The import values are all on a c.i.f. basis, except in the case of the United States; the exports are all f.o.b. The figures relate, wherever possible, to special trade by countries of origin and of

consumption, except for Austria (1952) and Denmark (all periods), where they refer to countries of purchase and sale. However, imports for the United Kingdom relate to general trade, since a classification of special (retained) imports is not available by countries of origin. For United States exports, goods coming under the heading "Special Category Commodities, Category 1 and 2" are not included, as a classification by countries of destination is not available.

The figures for Germany relate to the trade of the three western zones and west Berlin. Internal trade between western and eastern Germany is nowhere included.

(b) *Principal Adjustments*

(i) Trade between the United Kingdom and the Channel Islands and between Denmark and the Faroë Islands and Greenland has been considered as internal trade and therefore eliminated. Since 1 January 1954 the Faroë Islands and Greenland have, in fact, become part of the Danish customs territory.

(ii) Certain items which cannot reasonably be assigned to any particular region (such as ships' stores and the whale fisheries of the United Kingdom) have been excluded.

(iii) In the analysis of Denmark's trade, the figures have been adjusted to take account of the fact that certain imports recorded as originating in the United Kingdom, the United States and the Soviet Union and certain exports recorded as destined for the United Kingdom and the United States are actually imports from the British, United States and Soviet Zones of Occupation of Germany and exports to the British and the United States Zones.

(iv) A significant part of the monthly trade data for Finland is not specified by countries. The geographical distribution given in the annual statistics has been assumed to apply to this unspecified portion. Furthermore, reparations have been excluded from exports.

(v) The value figures for all countries (including Austria) include imports under foreign aid programmes.

(vi) In the case of the Netherlands, the diamond trade, for which no break-down by countries is available, has been excluded.

(vii) The figures for Greece, Portugal, Spain and Turkey for the third quarter of 1954 are estimates based on monthly figures so far published.

(viii) Trade in industrial gold has been excluded as indicated below :

France : Non-monetary gold (items 16-24 in the French nomenclature) is included in the French statistics, but has been excluded from Tables XXX and XXXI. The figures for gold shipments by main areas in the periods shown are as follows (in millions of current dollars) :

		1952		1953		1954	
		First half	Second half	First half	Second half	First half	Third quarter
<i>Total imports</i>		119.1	104.1	120.3	107.6	89.0	35.4
of which, from Group	I . . .	7.5	12.3	15.6	12.7	7.2	22.9
	II . . .	14.3	26.5	28.8	24.6	38.4	0.1
	VII . . .	—	—	5.5	—	—	—
	VIII . . .	—	—	—	—	35.8	—
	XI . . .	4.1	1.0	3.9	0.9	1.0	2.8
	XIII . . .	81.8	62.0	55.9	60.7	0.9	7.2
	XV . . .	0.7	—	6.9	6.2	1.4	0.7
<i>Total exports</i>		111.8	107.4	119.9	116.0	94.3	25.3
of which, to Group	I . . .	22.9	5.6	3.7	0.6	—	—
	II . . .	73.5	90.9	106.5	106.7	86.9	21.2
	XIV . . .	6.0	4.3	3.1	1.4	0.9	0.5
	XV . . .	7.7	5.5	6.3	6.5	5.0	2.9

Finland : Similarly, Finland's imports of monetary gold from the Soviet Union, which are recorded only in September 1954 and amount to \$5.0 million, have been excluded.

(c) *Conversion into United States dollars*

The trade conversion factors used are those given in 31.3. In the case of Austria, Germany and Greece, the dollar values were taken directly from the national trade statistics.

(d) *Grouping of countries*

The revised detailed classification of countries is as follows :

I. *United Kingdom, Iceland and Ireland*

United Kingdom :
Channel Islands included
Iceland
Ireland

II. *Western European industrial countries*

France :
Saar included in post-war years
Netherlands
Belgium-Luxembourg
Switzerland :
Liechtenstein included

III. *Mediterranean and Iberian countries*

Italy and Trieste
Greece :
Dodecanese included
Spain
Portugal
Yugoslavia
Turkey
Other Mediterranean and Iberian countries :
Malta and Gozo
Gibraltar
Albania
Andorra

} included

IV. *Scandinavian countries*

Denmark :
Farø Islands included
Sweden
Norway :
Spitzbergen included
Finland

V. *Western Germany and Austria*

Western Germany
Austria

VI. *Western Europe, groups I-V*

VII. *Eastern European countries*

Bulgaria
Czechoslovakia
Eastern Germany
Hungary
Poland
Rumania

VIII. *U.S.S.R.*

Estonia, Latvia and Lithuania included

IX. *Total Europe, groups VI to VIII*

X. *United States and dependencies*

United States
Alaska
Caroline Islands
Guam
Hawaii
Marianas Islands
Marshall Islands
Panama Canal Zone ^a
Puerto Rico
Ryukyu Islands
Samoa, American
Virgin Islands, including :
St. Thomas
St. John
St. Croix

^aSince practically no European trade statistics distinguish between Panama and Panama Canal Zone, it was decided, for purposes of consistency, to include the trade of the United States with Panama Canal Zone (although a United States dependency) under "Latin America".

XI. *Canada and Newfoundland*

Canada
Labrador
Newfoundland

XII. *Latin American republics*

(a) *Dollar Latin America*

Bolivia
Colombia
Costa Rica
Cuba
Dominican Republic
Ecuador
El Salvador
Galapagos Island
Guatemala
Haiti
Honduras
Mexico
Nicaragua
Panama
Venezuela

(b) *Non-dollar Latin America*

Argentina
Brazil
Chile
Paraguay
Peru
Uruguay

XIII. *Overseas sterling area (including British colonies)*

Aden, Colony and Protectorate
Africa, South West
Australia
Bahamas
Bahrein
Barbados
Basutoland
Bechuanaland
Bermudas
Borneo, British :
North Borneo
Brunei
Sarawak
Burma
Cameroons (United Kingdom)
Ceylon :
Maldiv Islands included
Cyprus
Falkland Islands
Fiji
Gambia
Gilbert and Ellice Islands
Gold Coast
Guiana, British
Hadhramaut
St. Helena :
Ascension
Tristan da Cunha
Honduras, British
Hong Kong
India
Indies, British West
Iraq
Jamaica
Jordan
Kenya
Kuwait
Leeward Islands
Libya

XIII. *Overseas sterling area (including British colonies) (continued)*

Malaya, Federation of
Mauritius
Nauru
New Guinea
New Zealand
Nigeria
Norfolk Island
Pakistan
Papua
Pitcairn
Qatar
Rhodesia and Nyasaland Federation
Samoa, Western
Seychelles
Sierra Leone
Singapore
Socotra
Solomon Islands, British
Somaliland, British
Swaziland
Tanganyika
Togoland
Tonga
Trinidad and Tobago
Trucial Oman
Uganda
Union of South Africa
Windward Islands :
Dominica
Grenada
St. Lucia
St. Vincent
Zanzibar and Pemba

XIV. *Affiliated overseas areas (excluding sterling area)*

Belgian :
Belgian Congo
Ruanda-Urundi
Condominium (United Kingdom and France) :
New Hebrides
Danish :
Greenland
Dutch :
Netherlands Antilles
Dutch Guiana (Surinam)
Dutch New Guinea
French :
St. Pierre and Miquelon
Guadeloupe
Martinique
French Guiana
French India
Indochina :
Annam
Cambodia
Cochin-China
Laos
Tonkin
French Oceania
New Caledonia
Algeria
French Equatorial Africa
French Somaliland
French West Africa
Dahomey
French Guinea
French Sudan
Ivory Coast
Mauritania

XIV. *Affiliated overseas areas (excluding sterling area)* (continued)

French (*cont.*)
 Niger
 Senegal
 Upper Volta
 Madagascar
 Morocco
 Réunion
 Tunisia
 Camerouns (France)
 Togoland (France)
 Kerguelen
 Portuguese :
 Macao
 Portuguese India :
 Goa
 Portuguese Timor
 Angola
 Cape Verde Islands
 Mozambique
 Portuguese Guinea
 São Thomé and Príncipe
 Azores
 Madeira
 Spanish :
 Moroccan Protectorate

XIV. *Affiliated overseas areas (excluding sterling area)* (continued)

Spanish (*cont.*)
 Possessions in North Africa :
 Alhucemas
 Ceuta
 Chafarinas
 Melilla
 Peñon de Velez de la Gomera
 Spanish Guinea :
 Fernando Po
 Spanish Sahara :
 Ifni
 Rio de Oro
 Canary Islands

XV. *Other overseas countries*

Afghanistan
 Bhutan
 China :
 Formosa
 Manchuria
 Sinkiang
 Tibet
 Egypt
 Ethiopia and Eritrea

XV. *Other overseas countries* (continued)

Indonesia, (United States of)
 Borneo (East, South and West)
 Celebes
 Java and Madura
 The Moluccas
 Sumatra
 Iran
 Israel
 Japan
 Korea
 Lebanon
 Liberia
 Mongolian People's Republic
 Muscat and Oman
 Nepal
 Philippines, Republic of (Dollar Area)
 Saudi Arabia :
 Hedjaz and Neged
 Siam
 Somaliland (U.N. Trusteeship)
 Sudan, Anglo-Egyptian
 Syria
 Tangier (International)
 Yemen

EXPORTS OF SELECTED WESTERN EUROPEAN COUNTRIES AND THE UNITED STATES BY MAIN COMMODITY GROUPS
 AND BY AREAS OF DESTINATION (Tables 47-49, 52 and XLVIII)

(a) *General*

Prior to last year's SURVEY, European exports were classified into ten commodity groups (*cf. Economic Survey of Europe since the War*, pages 373-374 and Table LV), based on national statistical nomenclatures. As a rearrangement strictly corresponding to basic definitions was not always possible, the comparability between countries was incomplete.

With the greater amount of foreign trade statistics that has in recent years become available in terms of the Standard International Trade Classification, either in national or international publications, it became possible to base the export analysis in the SURVEY of last year on an entirely new commodity schedule, conforming to the S.I.T.C. (see Table XXXIX of that SURVEY). This classification has been continued without substantial change and the data given in the two SURVEYS are therefore fully comparable.

The basic statistical material for Table XLVIII has been obtained from 35.2 (*iv*), supplemented, where necessary, by 31.2, special tabulations prepared by the Statistical Office of the United Nations, and national statistics. Data for the first half of 1954 for the United States and Denmark have been entirely based on special tabulations by the Statistical Office of the United Nations.

(b) *Areas of Destination*

Areas of destination are those shown in Table XXX (for Denmark, trade with Greenland and Faroë Islands is included). The original source used, however—35.2 (*iv*)—gives a different area break-down, and a certain amount of rearrangement was necessary, as follows :

<i>Classification in Table XLVIII</i>	<i>O.E.E.C. Classification</i>
North America	North America.
Latin America	Central America plus South America.
Overseas sterling area	Non-member countries in sterling area plus British overseas territories
Affiliated overseas areas	Overseas territories of member countries less British overseas territories.
Other overseas countries	Other non-member countries in Africa, in Asia, and in Oceania.
Eastern Europe	Eastern Europe.
Western Europe	Metropolitan member countries plus other Europe.
Dollar area	Dollar area.

Totals for "overseas countries" were obtained by deducting exports to western and eastern Europe from exports to the world. Consequently, whenever figures for exports to Europe are not complete, the unallocated part is automatically included

in overseas exports (this applies, in particular, to the United States exports). For the same reason, figures given for individual overseas areas may not necessarily add up to "total overseas countries".

The United States' exports for January-June 1954 include an important amount of exports specified by commodity group but not by destination. The value of these exports (in millions of dollars at 1950 prices) is as follows :

<i>ECE commodity group</i>	<i>Value, f.o.b.</i>	<i>ECE commodity group</i>	<i>Value, f.o.b.</i>
1	38.1	12	26.9
of which: cereals and preparations	4.2	13	3.5
fruits and vegetables	18.2	14	0.7
tobacco	4.8	15	19.4
2	8.7	16	20.8
3	7.4	17	29.5
of which: iron and steel	5.1	18	44.9
4	1.4	of which: cotton fabrics	10.1
5	1.1	19	7.7
6	8.8	20	61.9
7	7.1	Total	357.5
8	22.9		
9	3.8		
10	4.3		
11	38.6		

For the reason given above, these values have been added to "total overseas countries".¹

An attempt has been made to show the order of magnitude of the unspecified part of exports to each area. These unspecified exports being known in current values (they are the difference between the total of all exports and the total of the specified values), they have been estimated at 1950 prices by distributing the total of \$357.5 million in proportion to the current values by areas.

Bunkers for foreign ships are, of course, not given by destination, but they are included in the total exports of group 2. For the same reason, ship's stores were included only in total exports in the corresponding commodity groups.

(c) Commodity Groups

The 20-group classification used in Table XLVIII is given in Table B in terms of the S.I.T.C. Owing to insufficient information, the commodity classification used for Dutch exports differs slightly from that given in the table, the adjustment made being as follows :

<i>S.I.T.C. Group</i>	<i>ECE Commodity Group</i>	
	<i>Excluded from</i>	<i>Included in</i>
263	5	7
266	18	7
631	19	20
687 and 689	3	20
691	8	20

(d) Conversion into 1950 Prices

Export figures in current dollars shown in Table XLVIII were converted to 1950 prices by using special indices computed for each commodity group and for each exporting country. In principle, these indices are unit-value indices for exports to all destinations, either officially published or derived from volume and current value indices given in national publications. Where no foreign trade indices were available, wholesale price indices, or specially computed unit-value indices for the main items included in each commodity group, were used. As available unit-value indices are often more detailed than the 20-group commodity classification, certain groups were further broken down into appropriate sub-groups before conversion into 1950 dollars.

For each exporting country, the detailed unit-value indices were adjusted so that the resulting changes in the dollar volume of total exports agreed with the officially published indices of the volume of exports. Since, in the United States, exports of "special categories" are included in the official volume index but excluded from the commodity-by-destination data, the adjustment was made on the basis of the unit-value index for total exports. As the official volume index for Belgium-Luxembourg does not cover all the commodities traded, the adjustment was made on the basis of the unit-value index for total exports.

The sources and types of indices used in the conversion into 1950 dollars are as follows :

<i>Country</i>	<i>Source</i>	<i>Type of index^a</i>	<i>Country</i>	<i>Source</i>	<i>Type of index^a</i>
Belgium-Luxembourg	3.3 ^b	U	Netherlands	16.2	W
Denmark	6.1	W	Norway	17.2	U
France	8.1	U ₁	Sweden		U
Western Germany	10.10	U ₁	United Kingdom	27.21	U
Italy		U ₂	United States	28.1	W
				28.2	U

U = Unit-value index published in national sources.

U₁ = Unit-value index derived from current value and volume indices.

U₂ = Unit-value index directly computed from values and physical quantities.

W = Wholesale price index.

^a For all countries, a limited number of unit-value indices have been computed from values and physical quantities. Only sources other than standard national trade statistics are specified in the table. Unit-value indices for Sweden were supplied by the Konjunkturinstitutet.

^b Issues of June 1952, June 1953 and August 1954.

¹ A revised table will be published in the next issue of the *Economic Bulletin for Europe*, if the necessary break-down by destination is available in time.

Table B

COMMODITY CLASSIFICATION OF TWENTY GROUPS IN TERMS OF THE S.I.T.C.

Commodity group	S.I.T.C. code number	Sub-groups
1. Food, drink and tobacco	Sections 0, 1; Division 92	Live animals and meat (divisions 00 and 01): Denmark, Netherlands Dairy products (division 02): Denmark, Netherlands Cereals and preparations (division 04): Denmark, France, Italy and United States Fruits and vegetables (division 05): France, Italy, Netherlands and United States of which: Fruits (groups 051, 052 and 053): Italy Vegetables (groups 054 and 055): Italy Beverages (division 11): France Tobacco and products (division 12): United States
2. Mineral fuels and petroleum products	Section 3	
3. Metallic ores and base metals (unwrought and simply worked)	Divisions 28, 68	Ores and scrap (division 28): France, Norway and Sweden Iron and steel (group 681): Belgium-Luxembourg, France, western Germany, Italy, Norway, United Kingdom and United States
4. Oil-seeds, fats and oils	Division 22, section 4	
5. Textile fibres, natural	Division 26 <i>less</i> group 266	
6. Selected construction materials	Groups 661, 662, 664, division 81	
7. Other raw materials	Divisions 21, 23, 24, 25, 27, 29	Timber (division 24): Sweden Woodpulp (division 25): Sweden
8. Metal manufactures	Division 69	
9. Power-generating (except electric) machinery	Group 711	
10. Agricultural machinery	Group 712	
11. Metal-working, mining, construction and other industrial machinery	Groups 714, 715, 716	
12. Electric machinery	Group 721	
13. Tractors, other than steam	Group 713	
14. Railway vehicles	Group 731	
15. Road motor vehicles	Group 732	
16. Other vehicles	Groups 733, 734, 735	
17. Chemicals	Section 5	
18. Textile manufactures and clothing	Group 266, divisions 65, 84	Textile yarns (including synthetic fibres) (groups 266 and 651): France, western Germany, Italy and United Kingdom Cotton fabrics (group 652): France, western Germany, Italy, United Kingdom and United States Other fabrics (division 65 <i>less</i> groups 651 and 652): France, western Germany, Italy and United Kingdom
19. Paper, manufactures of wood and paper (excluding furniture)	Divisions 63, 64	
20. All other commodities	Section 8 <i>less</i> divisions 81 and 84; divisions 61, 62, 67, 91, 93; groups 663, 665, 666	Instruments and watches (groups 861 and 864): western Germany and United Kingdom

IMPORTS OF FIFTEEN COMMODITIES INTO SELECTED WESTERN EUROPEAN COUNTRIES BY AREA OF ORIGIN
(Tables 58 and XXXIII-XLVII)

Country and Commodity Coverage

Data in quantities and current values were taken from 31.2, 35.2 (iv), and national trade statistics.

In principle, commodities are defined in terms of the Standard International Trade Classification as specified below; however, figures taken directly from national statistics may differ slightly from those given in S.I.T.C. sources.

<i>Commodity</i>	<i>S.I.T.C. definition and code</i>	
Wheat	Wheat and spelt (including meslin), unmilled	group 041
Maize	Maize (corn), unmilled	group 044
Sugar	Sugar: beet and cane sugar	group 061
Coffee	Coffee not roasted, roasted	group 071
Tobacco	Tobacco, unmanufactured	group 121
Oil-seeds	Oil-seeds, oil nuts and oil kernels	group 221
Rubber	Crude rubber, including synthetic and reclaimed	group 231
Timber	Wood in the round or roughly squared, wood shaped or simply worked	groups 242 and 243
Woodpulp	Pulp and waste paper	group 251
Wool	Sheep's and lamb's wool, greasy or back-washed, scoured, whether or not bleached or dyed	items 262-01 and 02
Cotton	Cotton, including linters, waste, carded and combed	group 263
Crude petroleum	Petroleum, crude and partly refined	group 312
Refined petroleum	Petroleum products	group 313
Fats and oils	Animal and vegetable oils and fats	section 4
Copper	Copper and alloys, not refined and refined, unwrought	item 682-01

Figures refer to special imports, except for the United Kingdom (general imports). Quantities are given for the actual weight of each article included in the commodity group; no conversion factors have been used.

Areas of origin are those given in Table XXX, except for Latin America (which has been split into dollar and non-dollar countries), and "other overseas countries" (from which Philippines has been transferred to "other dollar countries").

Conversion into July 1953/June 1954 prices

Typical prices used in Table 58 were computed on the basis of quantities and current values of total imports into the seven countries included in Tables XXXIII to XXXIX and XLII to XLVII.

1953/54 Typical Prices in Dollars per Ton

Wheat	82	Rubber	475
Maize	76	Wool	1,720
Sugar	102	Cotton	760
Coffee	1,300	Crude petroleum	21.5
Tobacco	1,300	Copper	655

For refined petroleum, oil-seeds, fats and oils, where quantities are meaningless or unavailable, special price indices have been used.

Refined petroleum: The index obtained from current values and quantities of total imports into the five countries for which quantities are given in Table XLV has been applied to current values of imports into the seven countries.

Oil-seeds, fats and oils: Unit-value indices derived from volume and current value indices, officially published both by France and western Germany, were combined and then applied to current values of imports.

	<i>Price indices (1953/54=100)</i>	
	1951/52	1952/53
Refined petroleum	115	120
Oil-seeds, fats and oils	120	96

INDEX NUMBERS OF VOLUME AND UNIT VALUES FOR TOTAL IMPORTS AND EXPORTS AND FOR COMMODITY GROUPS
(Tables XXVI-XXIX)

Besides national statistical or foreign trade bulletins, the following sources were used: Finland: 7.2; western Germany: 10.10; Portugal: indices provided by the Central Statistical Office of Portugal; Sweden: 23.7, 23.8 and 23.3; Switzerland: 24.3; Turkey: 25.1; United Kingdom: 27.21; United States: 28.2.

PURCHASING POWER OF EXPORTS OF PRIMARY-PRODUCING COUNTRIES (Table XLIX and Chart 5)

Current values for 1953 and 1954 have been taken from 31.1, November 1954, special Table B. Those for 1950 to 1952 have been provided by the Statistical Office of the United Nations and are based on data published in 31.3, completed by estimates in cases where data were lacking.

An estimate of the unit-value index of imports for each primary-producing area has been obtained by weighting together the index for western Europe's export-unit values to outside areas used in Table 45 and the total unit-value index for United States exports given in Table XXVI. Current values of exports from these two areas to each destination have been used as weights. For the individual countries shown in the table, the indices thus obtained for the corresponding area have been used.

VOLUME OF EXPORTS FROM WESTERN EUROPE AND THE UNITED STATES TO PRIMARY-PRODUCING COUNTRIES
(Table XXIII and Chart 5)

Current values have been taken from Table XXX. Average unit-value indices (i.e., without distinction as to country of destination) have been used. For exports from western Europe, the index described in the notes to Table 45 has been used. For United States exports to these areas, the unit-value index for exports to all areas given in Table XXVI has been applied. Volume indices were obtained by dividing the current value indices by corresponding unit-value indices.

EXPORTS AND NET EXPORTS FROM FRANCE, THE UNITED KINGDOM AND WESTERN GERMANY (Table 88)

The groups of exports shown in the table correspond to the Standard International Trade Classification as follows:

<i>Export group</i>	<i>Standard International Trade Classification</i>	<i>Export group</i>	<i>Standard International Trade Classification</i>
Machinery	Divisions 71, 72.	Other manufactures . .	Section 8 and divisions 61 to 64 (inclusive); 66 and 67.
Transport equipment . .	Division 73.	Total manufactures . .	Sections 5 to 8 (inclusive) less groups 682 to 687 (inclusive).
Other metal manufactures	Division 69.	Food	Sections 0, 1 and 4.
Steel	Group 681.	Fuel and raw materials	Sections 2 and 3 less groups 682 to 687 (inclusive).
Chemicals	Section 5.	Miscellaneous	Section 9.
Textiles	Division 65.		

VII. BALANCES OF PAYMENTS (Tables 46, 61, XXIV and XXV)

BALANCE OF PAYMENTS OF EUROPE AND OTHER AREAS WITH THE UNITED STATES (Table XXIV)

Goods and services provided by the United States under the military aid programme are excluded throughout the table. The amounts of such aid, as given in the original source, are as follows (in millions of dollars):

	Western Europe	Canada	Latin American Republics	All other countries	Total
January–September 1952	1,335	1	54	264	1,654
„ 1953	2,808	—2	28	644	3,478
„ 1954	1,855	—	33	634	2,522

EUROPEAN PAYMENTS UNION (Table XXV)

“Pre-quota operations and adjustments” include the following:

- Use of “existing resources”—i.e., certain holdings of currencies of EPU countries at the beginning of July 1950;
- Use of “initial balances”—i.e., grants given to or obtained from the EPU during its first year of operation (1950/51) and compensated by equivalent amounts of dollar aid given by the United States Government;
- Use of “special resources”—i.e., the financing of deficits of Austria, France, Turkey, Iceland and Greece with dollars allotted by the United States Government;
- Adjustments to the positions of Belgium, France, Portugal and the United Kingdom effected on 1 July 1952;
- Repayments of certain existing credits and debits effected on 1 July 1954, and amortization instalments paid since that date;
- Payment in gold of \$351.3 million made by France for deficits beyond the French quota up to 30 June 1954; this gold is excluded from the accounting surplus and is recoverable by France if she has a net surplus for the period after 30 June 1954.

The accounting surplus or deficit is settled, according to the rules in effect since 1 July 1954, one-half in credit and one-half in gold. The only exception is Greece, whose quota as a debtor is frozen at zero and whose deficit consequently has been settled fully in gold. Surpluses and deficits exceeding total means of settlement available are settled fully in gold.

CHANGES IN GOLD AND DOLLAR ASSETS OF SELECTED EUROPEAN COUNTRIES (Table 61)

Generally, figures refer to changes in gold holdings (as reported in national sources) and short-term dollar assets (as reported by the United States banks—see 33.1). No adjustment has been made for the unreported gold and dollar holdings of European countries to the extent that they are not covered by the above. Gold and dollar holdings of the Bank for International Settlements in Basle, partly for the account of the E.P.U., are not included.

Other sources used were:

United Kingdom : 27.7 ; Finland : 7.4 ; western Germany : 10.4 ; Italy : 14.1, 25 September 1954, completed with estimates from 33.1 for the third quarter 1954 ; Netherlands : 16.5—the series covers gold and “generally convertible currencies (net)” ; Sweden : 23.3.

COMPONENTS OF CHANGE IN TRADE BALANCES OF SELECTED EUROPEAN COUNTRIES (Table 46)

The symbols used and the definitions of the basic concepts are as follows:

E_0	I_0	Exports and imports of the base year (<i>i.e.</i> , 1952 for the 1952 to 1953 comparison and 1953 for the 1953 to 1954 comparison) in current prices.
E_1	I_1	Exports and imports for the second year (<i>i.e.</i> , 1953 in the 1952 to 1953 comparison and latest available data for 1954 for the 1953 to 1954 comparison) in current prices.
E'_1	I'_1	Exports and imports of the second year, revalued in prices of the first year.
	P_m	“General price level”, a quantity-weighted average of the export and import prices in the second year (first year = 1), or

$$\frac{E_1 + I_1}{E'_1 + I'_1}$$

Change in trade balance in current dollars : Trade balance of the second year *less* trade balance of the base year, or

$$(E_1 - I_1) - (E_0 - I_0)$$

Imports (c.i.f.) and exports (f.o.b.) have been taken from Table XXX.

Volume effect : Difference between the trade of the second year, revalued in prices of the base year, and the current value of trade of the base year, with signs indicating the effect on trade balance, or

$$(E'_1 - E_0) + (I_0 - I'_1)$$

Terms of trade effect : This indicator is defined as the difference between the current value balance in the second year and the hypothetical trade balance (at the volume of trade in the second year) which would have existed, had the import and export prices changed only by the amount of change in the “general price level”, as defined above. Thus:

$$(E_1 - I_1) - P_m (E'_1 - I'_1)$$

General price level effect : This indicator is defined as the effect on changes in the general level of prices (P_m) on the trade balance of the second year, revalued in first year's prices. Thus:

$$(P_m - 1) (E'_1 - I'_1)$$

The choice of these indicators is, of course, to a certain extent arbitrary, and other indicators can be devised which would satisfy the necessary criteria.

In converting the data into per milles of gross national product of each country, the 1952 product has been used for the 1952-to-1953 comparison, and the 1953 product for the 1953-to-1954 comparison. Gross national product data have been taken from national sources.

VIII. MISCELLANEOUS (Tables 2, 6, 31, 75 and 81, Chart 14, Map 3 and text table on page 79)

SUNDRY ECONOMIC INDICATORS FOR WESTERN EUROPEAN COUNTRIES (Table 2)

Foreign trade has been taken from Table XXVIII.

Labour Market

Unemployment and unfilled vacancies: Belgium: 3.6; Denmark: 6.1; France: 8.6; Italy: 14.8; Norway: 17.3; Sweden: 23.11, United Kingdom: 27.4. Industrial employment has been taken from Table IX.

Wages and Prices

Hourly earnings in manufacturing industries: Apart from sources listed under "unemployment", the following have been used: Belgium: 3.3; Finland: 7.2; France: 8.1; Italy: 14.3; Norway: 17.1; Sweden: 23.9.

The cost-of-living indices have been taken from Table XX.

Money and Capital Markets

All information has been taken from 33.1.

ENGINEERING ORDERS AND DELIVERIES (Table 6)

Belgium: 3.4. Allowance has been made for the change in coverage in 1954 by reference to figures for 1952 given (unrevised) in 3.7, 1952 and (revised) in 3.7, 1953.

Finland: 7.8.

Western Germany: Prior to February 1952 data were given in volume terms only. The index numbers of volume have been converted into values by use of the former price index for producer goods. The resultant indices were then linked to the new series of the value of orders.

Netherlands: 16.5.

Sweden: 23.7 and 23.8.

United Kingdom: 27.20 and 27.1, 22 November 1954.

WAR LOSSES AND EXPENDITURE ON NATIONAL DEFENCE (Table 81)

The various statistics have been taken from the following sources:

War losses of life: 1914–1918: 34.2, tome IV, Volume I; 1939–1945: 36.6.

Population: 1913: 36.4, 1926; 1938: 31.1.

Destruction of dwellings: 30.5.

Defence expenditure: France: 8.12; United Kingdom: 27.8, 1913, 1918–1931 and 1938–50.

HEALTH AND EDUCATION STANDARDS IN EASTERN EUROPE (Table 31)

Bulgaria: Pre-war taken from 4.5 and post-war from 4.7, 4.9, 4.3, 5.4, No. 4, 1954, and Plan fulfilment reports.

Czechoslovakia: 1938 from 5.13, 1938. Post-war years from 5.7, 17 April 1954, 5.4, Nos. 4 and 10, 1954; 5.13, Nos. 1-3 and 18-20, 1949; 5.3, Nos. 238, 1952, and 280, 1954; 5.1, 25 and 28 November 1954; 5.9, No. 5, 1949; 34.1, May 1954 (page 494); 5.25, 1938 (page 220).

Hungary: 12.8, 1938, and various issues of 12.3 and Plan fulfilment reports.

Poland: 18.15 and 18.16; 18.1, 22 July 1953 and 12 March 1954; 18.10, No. 9, 1953 (page 4); 18.10, No. 7, 1953 (page 193); 18.11, No. 2, 1954.

Rumania: 20.8. All figures concerning health conditions were taken from 20.4, No. 6, 1954 (pages 46-59), the Five-year Plan published in 20.6, 16 December 1950, and Plan fulfilment reports.

REDUCTION OF INDUSTRIAL COSTS IN THE SOVIET UNION (text table on page 79)

1947 to 1950 from 26.26, No. 1, 1952 (page 15); 1951 from 26.1, 29 January 1952 (value of cost reduction applied to the average value of a one-per-cent reduction in 1950, quoted in 20.4, No. 10, 1954, page 26); 1952 from 26.1, 23 January 1953; 1953 Plan *ibid.*, 3 October 1953 and actual *ibid.*, 31 January 1954; 1954 Plan *ibid.*, 22 April 1954, January-June *ibid.*, 23 July 1954.

INDEX NUMBERS OF MARGINAL FREIGHT RATES BY RAIL (Table 75)

The following are the details concerning the freight rates at the basis of the index numbers shown in the table:

Country	Carrier	Quotation for		
		Coal	Crude steel and pig-iron	Finished steel products
Belgium	Société nationale des chemins de fer belges	Class 9	Class 5	Spec. tar. 3.1128
France	Société nationale des chemins de fer français	Tariff 7 Chap. 1 AT 6 BI (tariff excl. 6 BI)	Tariff 14 Chap. 1	Tariff 14 Chap. 1
Western Germany	Deutsche Bundesbahn	Class 80	Class F	Class C
Italy	Ferrovie dello Stato	Class D	Class 70	Class 66
Netherlands	Nederlandsche Spoorwegen		Class C	Class B

TURNOVER AND EMPLOYMENT IN DISTRIBUTIVE TRADES (Chart 14)

All data for selected western European countries have been derived from 8.15.

Data on French departmental product for 1951 have been obtained directly from the Institut National de la Statistique et des Etudes économiques, and information on total population and active population engaged in trade has been taken from 8.9.

No data were available on turnover by departments, and it has consequently been assumed that turnover was proportional to total product less one-half of agricultural product, this latter adjustment being analogous to that made by Jeanneney in 8.15.

NEW INDUSTRIAL INVESTMENT PROJECTS OF THE LONG-TERM PLANS IN POLAND, CZECHOSLOVAKIA AND HUNGARY (Map 3)

The sources used are :

Czechoslovakia : 5.7, No. 47, 1954 ; 5.3, No. 282, 1954 ; 5.4, No. 6, 1954 (page 206).

Hungary : 12.3, No. 2, 1954 (page 9).

Poland : 18.17, 10 March 1954.

LIST OF SOURCES QUOTED IN APPENDIX B

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- 1.2 *Bashkimi*. Daily.

AUSTRIA

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- 2.4 Österreichisches Statistisches Zentralamt: *Statistische Nachrichten*. Monthly.
- 2.5 Österreichisches Statistisches Landesamt: *Statistisches Jahrbuch für Österreich 1938, 1938*.
- 2.6 Bundesministerium für Unterricht: *Österreichische Schulstatistik 1953/54, 1954*.
- 2.7 Österreichisches Institut für Wirtschaftsforschung: *Ein Index der Bruttoinvestitionen*, August 1953 (Beilage Nr. 21 of 2.1).
- 2.8 Nemschak, F. (for Österreichisches Institut für Wirtschaftsforschung): *Konjunkturstabilisierung gegenwärtig das Hauptproblem der Österreichischen Wirtschaftspolitik*, November 1954. ("Vorträge und Aufsätze", Heft 10.)
- 2.9 Musil, L.: *Praktische Energiewirtschaftslehre*, Springer-Verlag, 1949.
- 2.10 Österreichisches Statistisches Zentralamt: *Ergebnisse der Volkszählung vom 1. Juni 1951, 1953*.

BELGIUM

- 3.1 Institut de Recherches économiques et sociales de l'Université de Louvain: *Service mensuel de conjoncture: Statistiques*.
- 3.2 Université catholique de Louvain: *Bulletin de l'Institut de Recherches économiques et sociales*. Eight times a year.
- 3.3 Banque nationale de Belgique: *Bulletin d'information et de documentation*. Monthly.
- 3.4 Institut national de Statistique: *Bulletin de Statistique*. Monthly.
- 3.5 *Agence économique et financière*. Daily.
- 3.6 Ministère du Travail: *Revue du travail*. Monthly.
- 3.7 Fabrimétal: *Rapport annuel du Conseil d'Administration*.
- 3.8 Société nationale des habitations et logements à bon marché: *Le 100 000^e logement*, October 1954.

BULGARIA

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- 4.2 *La Bulgarie nouvelle*. Twice a month.
- 4.3 State Planning Commission: *Planovo Stopanstvo*. Monthly.
- 4.4 *Izvestiia na narodnotato Sobranie* (Official Gazette) [Prior to 1951, *Drzhaven Vestnik*]. Irregular.
- 4.5 Direction générale de la statistique: *Annuaire statistique du Royaume de Bulgarie 1942, 1943*.
- 4.6 Terpeshev, D.: *Bulgaria's Five-year Plan* (Report submitted to the Fifth Congress of the Bulgarian Communist Party), Sofia, Ministry of Foreign Affairs, 1949.
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- 4.9 Tchervenkov, V.: *Rapport du Comité central du parti communiste bulgare devant le VI^e Congrès du parti*, Agence télégraphique bulgare, Sofia 1954.
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CZECHOSLOVAKIA

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- 5.9 National Insurance Institute: *Věstník ÚNP*. Fortnightly.
- 5.10 Ministry of Finance: *Finance a úvěr* (Finance and Credit). Ten times a year.
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- 5.15 *Sbírka zákonů republiky Československé* (Summary of Legislation). Irregular.
- 5.16 Ministry of Information: *The First Czechoslovak Economic Five-year Plan*, Orbis, July 1949.
- 5.17 Tauber, J.: *Československé zemědělství očima zahraničních hostů* (Czechoslovak Agriculture in the eyes of foreign visitors), 1954. [Mimeographed document.]
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- 5.21 Krblich, J.: (for Institute for International Collaboration in Agriculture and Forestry): *Survey of Czechoslovak Agriculture*, 1947.
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- 7.4 Bank of Finland: *Kansamme Talous* (Our Economy). Monthly.
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- 8.15 Jeanneney, J.-M.: *Les commerces de détail en Europe occidentale* (Cahiers de la Fondation nationale des sciences politiques), Librairie Armand Colin, 1954.
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- 9.5 Ministerium der Finanzen: *Deutsche Finanzwirtschaft*. Twice a month.
- 9.6 *Neue Welt*. Twice a month.
- 9.7 Statistisches Zentralamt: *Statistische Praxis*. Monthly.
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- 14.5 *L'Industria*, Milan. Quarterly.
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NORWAY

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- 18.5 State Planning Commission: *Gospodarka Planowa*. Monthly.
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- 18.7 Central Committee of the Polish Workers United Party: *Nowe drogi*. Monthly.
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- 18.11 Ministry of Labour and Social Welfare: *Przegląd Zagadnień Społecznych* (Review of Social Problems). Monthly.
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SAAR

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SWEDEN

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Appendix C

SOURCES OF PLAN FULFILMENT REPORTS IN EASTERN EUROPEAN COUNTRIES

Year and quarter ^a	Bulgaria	Czechoslovakia	Eastern Germany	Hungary	Poland	Rumania	Soviet Union
	<i>Rabotnichesko Delo</i>	<i>Rudé Právo</i>	<i>Neues Deutschland</i>	<i>Statistikai Szemle</i>	<i>Trybuna Ludu</i>	<i>Probleme Economice</i>	<i>Izvestia</i>
1952 Year . .	30 Jan. 1953	30 Jan. 1953	15 Feb. 1953	January 1953	29 Jan. 1953	January 1953	23 Jan. 1953
1953 I	26 April 1953	21 April 1953	1 May 1953	April 1953	22 April 1953	April 1953	} 17 July 1953
II	24 July 1953	28 July 1953	9 Aug. 1953	July 1953	21 July 1953	May-June 1953	
III	27 Oct. 1953	27 Oct. 1953	4 Nov. 1953	October 1953	30 Oct. 1953	Sept.-Oct. 1953	
Year . . .	3 Feb. 1954	31 Jan. 1954	14 Feb. 1954	January 1954	6 Feb. 1954	February 1954	31 Jan. 1954
1954 I	} 28 July 1954	4 Aug. 1954	11 May 1954	April 1953	25 April 1954	} August 1954	23 July 1954
II			13 Aug. 1954	August 1954	21 July 1954		
III			17 Oct. 1954	Nov. 1954	No report		
	28 Oct. 1954	No report				No report	No report

^a For earlier years, see *Economic Survey of Europe since the War*, Geneva, 1953, page 322.

CORRIGENDUM

to the

ECONOMIC BULLETIN FOR EUROPE, Vol. 6, No. 1, Table 6 (page 12)

	NATIONAL BUDGET OF NORWAY				
	Percentage of gross national product in 1953	Percentage changes over preceding year in constant prices <i>a</i>			
		Forecast	Actual	Forecast	Actual
		1952-1953		1953-1954	
Gross national product	100	+ 3.1	+ 2.3	+ 2.8	+ 3.9
Imports of goods and services	39.6	+ 4.8	+ 5.7	+ 4.8	+10.8
Available resources	139.6	+ 3.6	+ 3.3	+ 3.4	+ 5.9
Public gross domestic fixed investment	8.3	+ 6.1	..	+ 6.3	..
Private gross domestic fixed investment	27.2	- 0.1	..	+ 1.8	..
Total gross domestic fixed investment	35.6	+ 1.2	+ 7.0	+ 2.8	+ 6.6
Changes in inventories	-0.6	—	<i>b</i>	<i>c</i>	<i>b</i>
Exports of goods and services	35.4	+ 6.2	+ 4.3	+ 7.5	+ 8.3
Defence	4.1	+35.0	+16.7	+15.5	+10.6
Private consumption	58.1	+ 1.5	+ 2.7	+ 1.1	+ 3.3
Public consumption	7.0	+ 0.1	+ 3.7	+ 3.6	+ 2.9
Total expenditure	139.6	+ 3.6	+ 3.3	+ 3.4	+ 5.9

Sources : *Nasjonalhudsjettet* 1953 and 1954, St. meld. nr. 1, for forecasts.
Economic Survey 1954, Statistisk Sentralbyrå, for actual figures.

a Forecast changes based on average prices of preceding year. Actual changes based on 1950 prices.

b Inventory changes in 1952, 1953 and 1954 were +189, -114 and -37 million 1950 kroner.

c Forecast inventory change—100 million 1953 kroner.



WORLD ECONOMIC REPORT 1952-53

This is the sixth in a series of comprehensive reviews of world economic conditions published by the United Nations. The present *Report* analyses major changes in domestic economic conditions and in international trade and payments from 1950 to 1953, with special emphasis on developments in 1952 and 1953.

The *Report* includes several tables showing: the economically developed private enterprise economies; the centrally planned economies; selected countries of Latin America and the Far East; major developments in world trade 1950-1953; international trade and payments of the United States, western Europe and Japan; international trade and payments of primary producing countries; and international trade of eastern Europe and mainland China.

156 pages. U.N. Publication Sales No. 1954.II.C.1

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While the historical background has necessarily been taken into account in these analyses, the need has continuously been felt for a more systematic long-term perspective on European economic development as a whole. It was considered that such a study could best be done by an independent scholar of outstanding qualifications working in close contact with the staff, and using the documentation available, in the secretariat of the Economic Commission for Europe.

The Rockefeller Foundation, in accordance with its long tradition of promoting such research—it had acted similarly in co-operation with the League of Nations—agreed to defray the cost. It was possible to secure the services of Professor Ingvar Svennilson, of the University of Stockholm, who since 1949 has been devoting a large portion of his time to this work. He is wholly responsible for the contents and conclusions of this study, as he was for the organization of the work.

* * *

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Problems of Transformation in the Inter-war Period.

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